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A Monthly Summary of Business and Economic Conditions in Texas

JULY 1961

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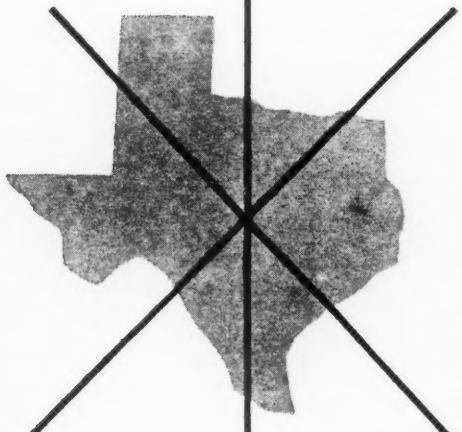

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The Business Situation in Texas

By FRANCIS B. MAY

The seasonally adjusted Index of Texas Business Activity, which sagged noticeably in April, rose 13% in May to a new all-time high value of 252% of the 1947–49 average rate of activity. At this level the index was 5% above its previous record value of 239% of 1947–49 attained in August 1960 and again in March of this year. The May record value was 7% above May 1960. A strong rise in retail sales contributed to the improvement in the index.

Miscellaneous freight carloadings in the Southwestern district declined 4% in May, after seasonal adjustment. At 78% of the 1947–49 average the index was 4% below May 1960. For the period covering the entire year to the week ending June 10, carloadings for the nation were below 1960 by 14.4% and below 1959 by 16.9%. The rails are still seeking a solution to problems created by losses of intercity freight volume to competing transportation media. "Piggy-back" hauling of truck-trailers on special rail flatcars has helped in the battle to win customers, but it is not the final answer. Other improvements in rail service must be made.

Crude petroleum production in May declined 3% below April, after seasonal adjustment. At 107.8% of 1947–49 average production the index was 3% above May of last year. The number of producing days allowed in May by the Railroad Commission was eight, one less than was allowed for April. The table below shows monthly allowables for the past several years.

Number of Producing Days Allowed

	1957	1958	1959	1960	1961
January	16	12	12	10	9
February	15	11	11	10	8
March	18	9	12	10	10
April	16	8	11	9	9
May	16	8	12	8	8
June	15	8	10	8	8
July	13	9	9	8	8
August	13	11	9	8	.....
September	13	12	9	8	.....
October	12	11	9	8	.....
November	12	11	9	8	.....
December	12	12	10	9	.....
Total	171	122	123	104	.....

During the first seven months of 1960, sixty-three producing days were allowed. The recently announced allowable of eight days for July means that sixty producing days are allowed for the first seven months of this year, a 5% decline. A revised forecast for all of 1961 by the U. S. Bureau of Mines estimates that total domestic production of crude oil for 1961 will be 1.5% above 1960. Domestic demand for refined products is estimated to be 1.8% above 1961. This leaves little room for expansion of the Texas allowable during the balance of this year.

Crude oil runs to stills declined 1% after seasonal adjustment. At 151% of average runs in 1947–49 the index was 1% above May 1960. May inventories of refined products for the United States, excluding the West Coast,

were high, leading to a cut in refinery runs. Texas crude and refined products are sold east of the Rockies but not on the West Coast.

Total electric power consumption rose 3% after adjustment for seasonal variation. At 415% of the 1947–49 average the index was 5% above May 1960. Increases in residential and commercial power use were the causes of the rise. Industrial power consumption was the same in May as in April after taking seasonal factors into account. At 399% of the 1947–49 average the index of industrial power consumption was 2% below May 1960.

The outlook for the electric power generating industry is good. A forecast that use of electric power in the country would octuple by the year 2000 was made recently at the annual convention of the Edison Electric Institute.

After dragging along at levels below 400% of the 1947–49 average during the first four months of this year, seasonally adjusted life insurance sales rose 12% to a value of 421%. At this level the index was at its highest level since last December. It was 2% above May 1960.

Insured unemployment in the state was 3.5% of average covered employment in May, one of the lowest rates among the 50 states. A comparison with other states in the Southwest and the United States follows:

	May percentage rate of insured unemployment
United States	5.9
Louisiana	6.6
Oklahoma	6.2
New Mexico	5.7
Texas	3.5

Throughout the recession Texas has had a low rate of insured unemployment.

It appears that important inducements to investment are beginning to flow from space research. One of these innovations with important economic implications is the communications satellite that will pick up and rebroadcast messages and TV programs. Hundreds of millions of dollars will be required to put the necessary number of satellites into orbit. This is only the beginning of a flow of new inventions that will give a tremendous upthrust to our economy.

Construction Shows Rise

After dropping 17% in April the May index of urban building permits issued in Texas rose 31%, after seasonal adjustment. At 127% of 1957–59 average volume of permits issued, the index was 31% above the May 1960 value. Increases in the volume of both residential and nonresidential construction authorized were responsible for the jump in total value of permits issued.

The seasonally adjusted index of residential permits issued rose 10% in May over its April value. At 103.4% of the 1957–59 average volume, the index was 12% above its May 1960 level. Although permits for one-family dwellings increased over April, the principal impetus came from a substantial rise in permits for multiple-family dwellings. The May increase in this category brought the average value of permits in this sector for the first five months of the year to a level 69% above the first five months of 1960. Permits for large apartment buildings for the first five months of this year were 92% above the like 1960 period.

Seasonally adjusted nonresidential permits in May rose 73% above April. At 173.2% of the 1957–59 average volume the index was 72% above May 1960. An increase in the value of permits for places of amusement, commercial garages, institutional buildings, office buildings, public work and educational buildings gave impetus to the index. There were also substantial increases in the value of permits issued for alterations and repairs to homes.

Nationally, the home-building outlook is good. A recent survey of 400 members of the National Association of Home Builders shows that they expect housing starts this year to increase to about 1,300,000, up 5% from the 1,237,800 in 1960. Improvement in business conditions and reduced mortgage interest rates were cited as reasons for the anticipated increase.

The Federal Housing Administration reports that applications for mortgage insurance in May showed a significant improvement, rising to a seasonally adjusted rate of 227,000 homes, a 5% increase over April. This was the first important increase since last December.

Census Bureau data show that total new construction in May was up 11% from April. The usual seasonal rise is 9%. Both private and public construction contributed to the rise. Private construction rose 2% above April after seasonal adjustment. Public construction was up 5% from April after seasonal adjustment.

May Retail Sales

After a listless performance in April, Texas retail sales recovered briskly in May. Both durable and non-durable goods shared in the rise in total sales.

Among establishments selling consumer durables, automotive stores turned in one of the better performances. The May increase in sales was significantly in excess of the usual month-to-month seasonal rise of 9%. Of the stores included in this group, motor vehicle dealers made the best showing with a 9% greater than seasonal rise in sales.

Furniture and household appliance stores had the usual seasonal rise in business but nothing more. Their May sales were 3% below May 1960. Furniture stores enjoyed slightly better business than appliance stores, but the margin of increase in sales was not large.

Lumber, building material, and hardware stores were another durables group that did well in May with a greater than seasonal rise over April. The month-to-month increase was 6.7% greater than the usual seasonal rise. Dealers in farm implements and hardware stores did particularly well in May.

In the consumer nondurables group, apparel stores did well. After a poor April, caused in part by the after effects of an unusually early Easter, apparel sales rose more than seasonally in May to a level 2% above May 1960. Family clothing stores and men's and boys' clothing stores were among the better performers in this group.

Sales of drug stores rose more than seasonally to a level 1% above May 1960.

Restaurant sales rose more than seasonally but fell below May 1960 sales by 4%.

Gasoline and service station sales rose more than seasonally to a level 3% above May 1960.

"Other" retail stores, a miscellaneous category that includes, for example, florists and jewelry stores had a greater than seasonal improvement in business. May sales for this group were 3% above May of last year.

Nationally, May retail sales rose more than seasonally but were below May 1960 by a 2% margin. Increased sales by motor vehicle dealers contributed substantially to the improvement.

Prospects for Weather Prediction and Control

By RAYMOND C. STALEY

Assistant Professor of Meteorology, The University of Texas (on leave)

The ten-year Texas drouth which ended with the rains of 1957 called attention to a fact with which many Texans will emphatically agree—the Texas weather is constantly changing. One winter will be typified by repeated influxes of cold air with accompanying rainfall and snow. That year the snow cover will creep southward week by week, and each *norther* will carry the freezing temperatures closer to the citrus groves of the Rio Grande Valley. Another winter will have one influx after another of cold dry air, with turbulent dust-laden winds. In such a year, with no snow cover near by, the cold air brings no disastrous freeze to Valley crops. Still another winter will have numerous days of humid, sticky weather, followed in the spring with violent, almost regular, interruptions of line squalls and cold fronts with thunderstorms and tornadoes.

For most of Texas—except west of the Davis Mountains and extreme east Texas—Spring and Fall are the rainy seasons. The interplay between the warm humid air from the Gulf of Mexico and the cool air of Canada provides weather systems which bring heavy spring rains. Tropical disturbances, sometimes in the form of hurricanes moving westward in the broad stream of the trade winds, carry heavy rains into South Texas in late summer and early autumn. One year may see several tropical rain-producing storms; another year, none.

The idea that the state of the atmosphere can be adequately described by a mass of statistics presenting long-term averages of temperature and rainfall is unfortunately all too prevalent. The many statistical summaries presented to the public as weather information bear this out. The farmer or the rancher, however, knows that averages are misleading—to be told only that the mean annual rainfall for his area is 20 inches means very little. He wants to know when the rainy season occurs, how much moisture will be lost by evaporation because of months of hot, dry days, and above all, he would like to know how dependable the rain will be when it does fall. Must he fight flood and rust one year and drouth and grasshoppers the next? In the back of his mind there is an idea that perhaps something might be done to get more rain from summer cumulus clouds. Perhaps, too, there is the wish that the towering cumulo-nimbus (thunderstorm) cloud could be modified to prevent a downrush of hail which will beat his wheat crop into the dirt.

The day is passed when problems of weather and climate are thought of only as related to agriculture. The building contractor, the off-shore oil drilling operator, and the coastal chemical company all want and use specialized climatological data. For example, a contractor would like to have charts showing him the probability of one, two and three day rainy periods for the second week in September in Dallas; a drilling operator would like to know the probability that the wind-driven ocean waves and swell will not exceed a height of three feet during the first week in June; a coastal chemical company would like to know the chances that its plant must be shut down in September because of hurricane threat. In particular, the company would welcome information about the probability that certain years or series of years would hold extreme threat of Gulf Coast hurricanes while other periods would tend to be hurricane-free.

In the next several decades the public can expect a great improvement in the understanding and analysis of weather and climatological data. It is hoped that at least partial answers will be given to the following questions:

(1) How can the huge mass of accumulated data be made to yield trends or patterns which will help industry and agriculture determine when to expect months or seasons of abnormally dry or wet, hot or cold weather?

(2) Are there means of modifying the weather, either locally or on a grand scale, which will ameliorate the climate and weather of Texas?

Collection and Use of Data

There are several factors which will help tremendously in the analysis and interpretation of atmospheric data for Texas. Observations and collection of data are made possible principally by the United States Weather Bureau. The data are reported to the office of the State Climatologist in Austin and forwarded to the National Weather Records Center at Asheville, North Carolina where all data are put on punch cards for permanent storage and for use in analysis.

The Weather Bureau tabulates these data in several publications available to the public at small charge, but makes only limited attempts to analyze the data for special purposes. Copies of the punch cards are available at cost from the Records Center for industry, institutions, and private research groups. Thus, for the first time, it is possible for groups having access to large computers to obtain, quickly and economically, statistical analyses of some 30 years of weather data.

Few groups who need and use analyses of atmospheric data are in a position to employ a staff meteorologist. But, since the Weather Bureau has neither the staff nor the budget to provide special interpretation of weather and climatological data, groups needing the services of a scientists trained in atmospheric physics but not finding themselves financially able to hire a full time staff member have turned to the consultant meteorologist.

The consultant's role in making special forecasts and in supervising cloud-seeding operations has been widely publicized. Less well known but equally important has been the consultant meterologist's ability to show industry how it can use specially analyzed climatological data. One of the consultant firms operating in Texas, A. H. Glenn and Associates of Houston and New Orleans, has an outstanding record in providing special interpretations of climatological data for geophysical prospecting in the Gulf of Mexico.

A. H. Glenn and R. W. James, writing in *Geophysics Magazine*, used the relations between wind velocity and wave height in two areas of the Gulf to construct figures 1 and 2. These charts show that exploration costs can be reduced by taking advantage of periods of minimum wave action. Here, it will be noted, a single survey party can work in Zone B in July, then move to Zone A in August, obtaining more data in fewer days and at lower cost than if the order of observation were reversed.

Long Range Forecasting

In the late 1930's, as a result of the drouth and the dust bowl disasters, the Weather Bureau began the study of extended forecasting. The five-day forecast, a routine forecast now much used by agricultural interests, was the result of these studies. In the mid-1940's the same technique, based largely on the study of large scale (hemispheric) atmospheric circulation patterns, was extended to thirty-day forecasts. The fundamental forecast chart for these extended range forecasts is the hemispherical flow at about 10,000 feet above the earth's surface.

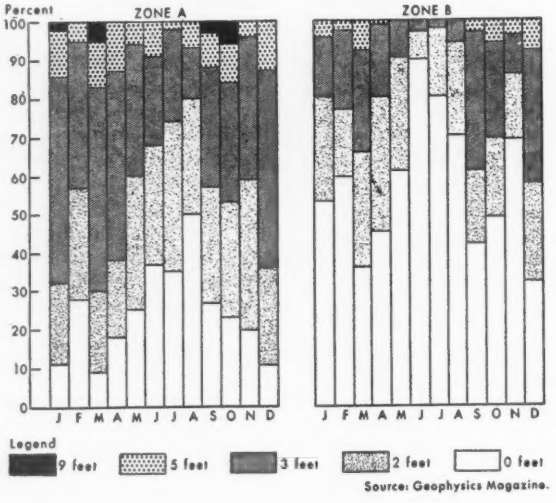
To the average person such charts may seem quite unconnected to the precipitation and temperature anomalies for the State of Texas. However, if one examines the daily or even the mean monthly upper air flow, he is struck by the fact that certain patterns of circulation are closely correlated with Texas rainfall. If one draws a line roughly from San Diego, California to Lake Michigan, and north of this line finds that the winds at 10,000 feet above sea level are out of the north or north-northeast, while south of this line the winds are out of the southwest, he will have the picture of a weather map which usually brings generous and well-distributed rainfall to Texas.

If there is a tendency for this flow pattern to show up on the mean monthly upper air circulation charts, Texas can be reasonably certain of substantial precipitation during such a period. Research sponsored by The University of Texas in its Study of Weather Modification has shown that for the months December through March in the decade 1946–1955, the more well-defined this trough-like wind field, the greater the precipitation. In the absence of this pattern of air flow, precipitation is totally inadequate.

But what hope is there that the large-scale circulation patterns can be forecast months ahead? The Weather Bureau is proceeding along two lines of attack. The mean circulation methods—originally developed in the 1930's at the Massachusetts Institute of Technology under C. G. Roseby and H. C. Willett—are being expanded, and attempts at six-month forecasts of precipitation and temperature anomalies are being made. At the same time numerical forecasting methods are being extended to monthly and seasonal forecasts. These methods use high-speed electronic computers to solve the equations of motion as applied to certain mathematical models of the earth's atmosphere over the northern hemisphere. The United States Navy and Air

Figure 1

AVERAGE DISTRIBUTION OF WAVE HEIGHTS



Source: Geophysics Magazine.

Force have also been interested in the advancement of the numerical forecasting methods.

Still a third technique, using curve-matching equations to give a mathematical description of the circulation patterns, extrapolates these patterns by the use of statistical correlations based on observations of previous atmospheric behavior. This method is being used by a weather research group under the direction of T. F. Malone at the Travelers Insurance Company in Hartford, Connecticut. It is easy to be over-optimistic about the promise of these methods in providing forecasts of climatic anomalies several months in advance, but the importance of successful forecasts of this sort to the building contractor, the electric power company, and the flood control engineer can hardly be overestimated.

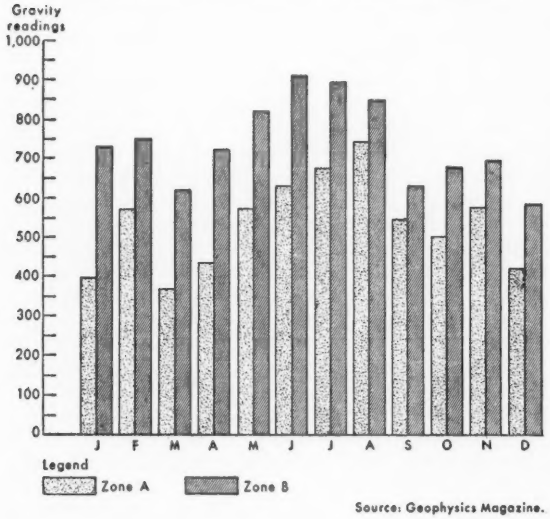
All of the methods mentioned above include in their basic formulation the idea that the atmospheric circulation, if accurately described at some initial time, can be determined with fair accuracy at a later time. The driving source of the atmospheric circulation is solar radiation and this, for the earth as a whole, is assumed to be constant.

Yet many atmospheric scientists have found themselves at a loss to explain periods of climatic stress and climatic amelioration if the atmospheric circulation is not subjected to changes in the solar energy coming in from outside.

The sun itself is not very well behaved; it is well known that sudden solar flares and prominences related to sunspot activity bathe the earth with excess ultraviolet or perhaps X-radiation, and probably streams of electrons and solar protons as well. These exert important influences on the upper atmosphere, especially above 60 miles. It has long been recognized that there are interesting correlations between sunspot activity and the climate of certain parts of the world. Dr. Carl Morgan of the Civil Engineering Department of The University of Texas has shown that in parts of Texas there is a correlation between annual river runoff and the 22-year double sunspot cycle. Professor H. C. Willett of the Meteorology Department at M. I. T.

Figure 2

NUMBER OF GRAVITY READINGS POSSIBLE PER MONTH



Source: Geophysics Magazine.

has used his studies of the large scale circulation features and the related sunspot cycle to forecast that the dust bowl decade will not return to the United States before 1970 and probably not until about the year 2000.

Preliminary work of the sort done by Willett has aroused a great deal of interest, especially among the astronomers and high altitude meteorologists. The High Altitude Observatory at Boulder, Colorado, under the direction of Walter Orr Roberts, is making a serious effort to seek out and to understand the solar-terrestrial relations from the anomalous behavior of the sun. There seems to be considerable promise of progress toward the understanding and possible forecasting of long-period climatic trends using the knowledge of solar and high atmosphere interactions.

Man-Made Weather

What are the chances that climate modification will be successful? Unfortunately man has been most successful where his attempts at modification have been unintentional and where the results have been, at least to some extent, harmful. Industrial pollution in the form of gases and smoke create and intensify fog and haze in highly populated areas. The problem of atmospheric pollution is increasing in Texas and it is important that an attempt be made to use meteorological data in planning location of urban industrial areas. Plowing under of native grasses in semi-arid regions has frequently permitted the expansion of deserts into wider and wider areas. Increased crop irrigation in warm climates decreases the effectiveness of the evaporative cooler for home summer cooling in the neighborhood of irrigated lands.

The prospect of obtaining more rainfall from the atmosphere by artificial means has appealed to the Texas farmer and rancher as well as to water-hungry municipalities. Nature is notoriously inefficient in operating the atmosphere as a thermodynamic-mechanical system. Data analyzed by the Study of Weather Modification show that during the summer, over most of Texas, probably less than 0.0001 of 1% of the total water vapor passing over the state condenses and falls as rain.

In order to get condensation in the form of fairsized raindrops it is necessary to have nuclei of condensation (such as minute particles of sea salt) or freezing nuclei (such as the famous silver iodide crystals). But above all it is necessary to have large amounts of water vapor available and to have vertical air currents to carry water vapor and nuclei up 10,000 to 20,000 feet above the ground. Thus, man can do little to improve nature's inefficiency, for the fact remains that nature herself usually supplies copious nuclei of sea salt from the Gulf waters, and other condensation and freezing nuclei from certain dust particles. But, on occasion when sufficient nuclei are lacking, it may be possible to trigger the rain mechanism by the injection of artificial nuclei.

Controlled statistical studies on the effectiveness of seeding operations are greatly needed. Serious unbiased statistical studies have been conducted in an attempt to evaluate artificial methods of increasing precipitation. Two of these—one for upslope motion from the Pacific Ocean over the Coastal mountains of the western United States and the other from summer flow into Arizona—indicate that seeding with artificial nuclei may increase precipitation between 3% and 10%.

It is the opinion of some meteorologists that properly planned operations might be able to increase the precipitation over Texas for those situations where the atmospheric circulation has carried in adequate water vapor and clouds. As for improvement during periods of extreme drouth, one should note that even 10% of zero rainfall is still zero.

The most obvious thing in these remarks about the future of Texas climate is simply our ignorance about it. But at no time in the past has there been such an attempt as is now being made to understand the workings of the earth's atmosphere. It is essential that statistical analysis go hand in hand with our increasing knowledge of the physical principles involved in the behavior of the atmosphere. The results of state, local and industrial support of research on local and regional atmospheric problems, coupled with Department of Defense and Weather Bureau support of research on the theories of large scale atmospheric circulation may place us in a much more confident position a decade hence.

Payment by Check: A Legal Synopsis

By JACK W. LEDBETTER*

Each business day more than a billion checks are signed, negotiated, cashed, or deposited in commercial banks throughout the United States—and the number is growing daily. A tremendous, almost phenomenal, growth in check usage has developed during recent years. This growth is due in part to the enactment of the nationwide Uniform Negotiable Instrument Law (commonly abbreviated "NIL") which provides for almost complete uniformity of checks, bills of exchange, and promissory notes regardless of state boundaries. It also provides for similar interpretations and rights; and with its "holder in due course," it permits broad usage far beyond that of the normal contract.

The basic element in the NIL is that of "negotiability." If a given instrument has elements of negotiability, and if it is properly received and handled, it creates in its owner unique and broad powers of enforcement. This may best be seen in two simple illustrations:

First, assume that Buyer purchases a used car from Seller giving Seller an I.O.U. (a nonnegotiable promise to pay) for $500, the purchase price. Assume that Buyer takes the car and Seller assigns (sells) the I.O.U. to a bank for $500. Later Buyer discovers that the car is defective, and he refuses to pay the debt. The bank can legally enforce collection only if Seller has a legal claim against Buyer; if the defect is sufficient to constitute a breach of contract so that Seller could not collect from Buyer, it will also defeat the claim by the bank.

Second, assume the same sale circumstances as before, but assume that Buyer gave Seller a check or a promissory note (a negotiable instrument under the NIL). If Seller then properly negotiates the instrument to the bank for value so that the bank qualifies as a "holder in due course," and if the bank proceeds properly in its collection methods, it can demand and enforce collection against Buyer *regardless of the defect in the car*. In other words, the bank has acquired a legal right and power beyond that originally held by Seller.

From these simple illustrations, it is obvious that the holder in due course of a negotiable instrument is in a greatly improved position when compared with his counterpart, the nonnegotiable instrument purchaser.

The first requirement toward achievement of this superior power is that the instrument involved be a negotiable instrument as defined by the NIL. If the instrument is not negotiable, there can be no holder in due course, and the instrument becomes a simple contract without benefit of this special law.

For a check to meet the requirements of negotiability it must contain an unconditional order to a bank to pay a certain sum of money on demand to the order of a specified person or to the bearer. It may contain additional matter, but a provision which changes or confuses any of the above specific requirements will render the instrument nonnegotiable. The courts are generally strict in their interpretations, so that as a practical matter any deviation is considered unsafe and most check forms leave little space for extraneous details.

Even though there are few blanks and seemingly little to confuse the check writer, there are numerous rules and procedures that must be followed if the check is to qualify as a negotiable instrument. A few of the more commonly misunderstood rules will illustrate this point.

1. A "demand" instrument is due and payable immediately. Thus, the holder of a check is legally entitled to present the check for payment at the bank as soon as it is received. A "post-dated check" is *not* payable on demand. Accordingly, it is not actually a check at all; but if it is otherwise valid, it may be held or negotiated to another, and upon the date shown it becomes a valid check.
2. If a check has two amounts shown, such as where the numerals vary from the amount as spelled out, then the written amount is the true amount. Few persons look at this amount, sometimes to their sorrow when a discrepancy does appear.
3. An undated check is perfectly valid and is considered dated as of issue. A check having any *other* unfilled blank is not negotiable even if it be signed, but if it is *delivered* by the issuer to another to fill in, it will become negotiable when completed whether the names and amounts inserted are authorized or unauthorized.

Even though a check may satisfy the requirements of a negotiable instrument, and even though it be properly negotiated, there are still further requirements which must be met by the recipient if he wishes to claim the superior position of holder in due course. The NIL sets out these requirements in some detail. Basically, however, they require that the holder receive the check in a bona fide transaction during which he furnished valuable consideration without knowledge of any defect or improper conduct on the part of any prior parties.

If the holder received the check as a gift, or if he took it under suspicious circumstances and with no effort to verify the identity of his transferor, he may lose the benefits of the NIL for failure to meet the necessary holder in due course requirements.

Once the holder or recipient of the check has met the requirements of a holder in due course, he has the right to enforce payment of the check regardless of all defenses or disputes that may exist between prior parties except such disputes or defenses arising from a basic defect in the intrument, such as forgery, incapacity of the original issuer, insanity, or duress. In these cases it is obvious that even the holder in due course should not be permitted to recover.

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Because these peculiar defects, called "real defenses," may occur in any instrument, it is important for every purchaser or recipient of a check to examine closely the credentials and identity of the holder transferring the check to him. Each indorser guarantees the check, and this may be the only remedy available to the late holder when a "real" defense is discovered.

In recent years there has developed among businessmen a strong reliance upon the so-called "hot check law" and the "stop payment order." In many cases, this reliance is unfounded and dangerous, although each may be used to advantage within its limitations.

Stop Payment Orders

The stop-payment order is probably the most misunderstood procedure for handling of checks. Contrary to popular belief, it is *not* a part of the Uniform Negotiable Instrument Law. It has no effect upon a check as a negotiable instrument, and can neither prevent one from becoming a holder in due course nor affect the right of any holder under the NIL. It is merely a special procedure governed by separate and varying statutes in each state and by the deposit contract between the bank and its depositors.

Because a bank is authorized to pay only upon specific order of the depositor, it is recognized that the depositor may cancel this authority at any time on any given check before the bank has paid or committed itself to payment. This is the basic theory behind the stop payment order. Because this right of stop payment arises out of the deposit contract between the depositor and his bank, it is also generally recognized that reasonable limitations and restrictions are permissible. For example, the depositor may not use the stop payment to mislead his bank or make unreasonable demands on it. To avoid misunderstanding, the Texas legislature has enacted a special provision to govern stop payment orders in Texas. Art. 342–712 of the Texas Banking Code requires that any stop payment order be received prior to presentment of the check for payment or acceptance. It further requires that the order be in writing, and signed; it must be dated and contain an accurate description of the check. Thus, a telephone call to the bank to stop payment is not sufficient and need not be accepted by the bank, although there is one appellate case holding that if the bank does accept the telephone order and does attempt to make a stop payment it may not later claim this lack of writing as an excuse for carelessness in its procedure. Another provision of this statute is that the order is effective for 60 days only unless it is renewed in the same manner for another 60 days if the depositor desires to maintain continuing protection.

Even with this, however, the bank will not be liable for inadvertent payment of the check if it exercises reasonable diligence. In other words, the stop payment order in Texas is not an absolute "order" to the bank but merely a strong "request" for their efforts in behalf of their depositor. Stop payment orders are an exceedingly troublesome item for banks and the prudent depositor will not place undue reliance on the stop payment order as a protection

In addition, and perhaps more importantly, a stop payment order has no effect on a holder in due course. The issuer of the check has guaranteed that it will be paid, and any agreement he may have with his bank for refusal when presented does not release him from this responsibility. Upon a refusal by the bank the issuer becomes immediately liable for payment of the check and for costs and damages for inconvenience. The holder in due course is entitled to this payment without regard to the reason for the stop payment.

The Texas "Hot Check Law"

Like the stop payment order, the "hot check law" is greatly misunderstood by many businessmen. This law is a criminal statute. It is *not* a part of the NIL, and it is not intended as a procedure for collection of checks by businessmen.

Basically the hot check law states that it is unlawful for any person with intent to defraud to obtain anything of value by giving a check if at the time the check is drawn such person has insufficient funds to pay it and at the same time to pay all other checks outstanding. The law further provides that if the check is refused by the bank, and if it is not paid within ten days after notice of dishonor is given to the issuer, it shall be presumed that the issuer had an intent to defraud and knowledge of his insufficient funds. The penalties for such action vary with the amount of the check and the number of convictions. The maximum penalty is 2 to 10 years in the penitentiary and $10,000 fine. To prevent the use of the hot check law as a collection procedure only, an additional provision states that if a person files a complaint with the County Attorney and then later recommends, requests, or even suggests that the case be dropped or dismissed, then he, the complaintant, is guilty of a misdemeanor and subject to a $100 to $500 fine!

Although the hot check law appears complete and straightforward, several features should be noted. First, the law does not state that anyone issuing a check with insufficient funds is automatically guilty. There must be an "intent to defraud." The statute does provide that this illegal intent will be presumed in certain circumstances, but this presumption may be overcome by evidence of inadvertence or other reasonable excuse. Second, the law does not limit the responsibility to the issuer. It provides that *anyone* receiving value and transferring a check where insufficient funds are available for payment may be liable. Thus, an indorser may be held responsible under this law for negotiation of a check with knowledge that the original issuer had not the funds with which to pay it. Third, the wording of the statute concerns only insufficient funds at the time of issue. Therefore, if the issuer had sufficient funds at the instant he signed the check, then later withdrew these funds, he might avoid responsibility under the hot check law. Fourth, the hot check law has no application where an instrument is post-dated. In this case, the issuer is specifically stating that he does not wish the instrument to be presented until some future time. The presence or absence of funds at the instant of issue is immaterial.

Negotiable instruments perform a vital function in our economy. The check in particular permits many transactions not otherwise feasible. When properly used, negotiable instruments, including checks, provide almost complete uniformity and ease of business operations. When improperly or carelessly used, however, they may be a means of self-destruction. Both the check issuer and the check receiver must be constantly alert. Only then can they obtain the maximum benefits with the minimum disadvantages.

Local Business Conditions

As a reader's guide to better utility of retail sales data, an average per cent change from the preceding month has been computed for each month of the year. This percent change is marked with a dagger (†) following that figure. The next percent change represents the actual change from the preceding month. A large variation in the normal seasonal from the actual figure represents an abnormal month. This third percent change is the percent change for the identical period the preceding year showing the change between the two years. Postal receipt information which is marked by an asterisk (*) indicates cash receipts received during the four-week postal accounting period ending May 26, 1961, and the per-cent changes from the preceding period and the comparable period in the previous year. Annual postal data are for 13 four-week periods falling closest within 1959 and 1960 calendar years. Changes less than one-half of one percent are marked with a double asterisk (**). Houston and Waco retail sales information are reported in cooperation with the University of Houston Center for Research in Business and Economics and Baylor Bureau of Business Research, respectively. End-of-month deposits as reported represent money on deposit in individual demand deposit accounts on the last day of the month. All population figures are final 1960 census data. Figures under Texarkana with the following symbol (§) are for Texarkana, Texas, only.

City and item	May 1961	Percent change: May 1961 from Apr 1961	Percent change: May 1961 from May 1960
ABILENE (pop. 90,368)			
Retail sales	+ 6†	+ 20	+ 4
Apparel stores	+ 1†	+ 21	— 8
Automotive stores	+ 9†	+ 28	+ 4
General merchandise stores	+ 6†	+ 10	+ 5
Lumber, building material, and hardware stores	+ 4†	+ 21	+ 12
Postal receipts*	$ 100,123	+ 5	+ 2
Building permits, less federal contracts	$ 1,067,788	— 29	— 32
Bank debits (thousands)	$ 101,437	+ 5	+ 1
End-of-month deposits (thousands)‡	$ 68,847	+ 3	+ 10
Annual rate of deposit turnover	18.0	+ 6	— 10
Employment (area)	35,500	**	+ 11
Manufacturing employment (area)	3,690	+ 3	+ 15
Percent unemployed (area)	6.1	— 3	+ 5
ALICE (pop. 20,861)			
Retail sales			
Lumber, building material, and hardware stores	+ 4†	+ 31	+ 16
Postal receipts*	$ 15,220	+ 1	+ 1
Building permits, less federal contracts	$ 107,381	— 11	+ 65
ALPINE (pop. 4,740)			
Postal receipts*	$ 4,454	+ 16	+ 9
Building permits, less federal contracts	$ 12,000	— 51	+ 3
Bank deposits (thousands)	$ 2,811	+ 21	+ 33
End-of-month deposits (thousands)‡	$ 3,416	— 4	+ 5
Annual rate of deposit turnover	9.7	+ 23	+ 26

IS THE IMPORTANCE OF ADVERTISING CHANGING IN OUR ECONOMY?

By WILLIAM M. BROWN*

One of the major decisions to be made by marketing management involves the emphasis to be placed on advertising, personal sales and middleman promotion. This decision is often made as advertising *versus* personal sales. The implied conflict is not without foundation. Both activities are designed to do one thing—sell the product or service. But one is becoming more effective and will continue to be more important as a selling tool, while the other shrivels year by year.

There are a number of developments in marketing that point out the change taking place. Among these developments are the growth of self-selection, and the deterioration of personal selling as a creative activity.

Increase in Personal Purchasing

The growth of self-selection as one of these developments is often considered with some awe and surprise. But, it is actually a rather natural turn of events. It is important because of the number of items so purchased, and the fact that more are being sold in this way all the time.

This growth is a direct result of the consumers' increased disposable income in "real" dollars, plus the extension of that income through financing. As the price of a given article becomes a less important item in the total budget, the customer is willing to buy that product on the basis of non-personal selling alone. That is, the personal "reinforcement" of a salesman is no longer necessary. The element of "chance" in getting a poor buy is accepted, or perhaps it is felt that the advice of a salesman would not change the degree of risk.

A good example of this is the merchandise sold in a supermarket. These are low-cost items, as individual products, but still account for about a third of the family budget. The low price *plus* heavy advertising is all the selling effort needed as far as the customer is concerned. The subtleties of display position and other dealer promotions serve only to attract her attention; the fact remains, she needs no personal sales presentation.

Another factor bearing on this development is the customers' familiarity with the manufacturer. Earlier in our history a customer had to make the conscious effort of buying some form of printed media and *reading* the ads. With the advent of radio and television the exposure of the customer to the advertising message became easier. In addition, the frequency of exposure was stepped up.

The net result was a customer who became as familiar, or more so, with the manufacturer and his brand, as she was with the retailer handling the merchandise. She was no longer directly reliant on the latter's judgment of product quality and her desire for a "good buy" was as strong in good times as in bad.

Appliances afford a helpful example of this change. Prior to World War II, the customer was less than familiar with the new array of appliances and their manufacturers. The purchase price was a considerable portion of the family's income. Thus, the consumer needed a great deal of

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personal salesmanship at the retail level to be persuaded to make the purchase.

The manufacturer began what is known as "pre-retailing"; putting large sums of money into advertising to sell the customer his brand before she even made a trip to the retailer. As a result, she became familiar with the product and determined what brand or style she wanted. When she finally did go to the retailer she had already been sold.

This development did not become general until after the war. But, it was on its way and might have taken place during the Forties without the demand caused by wartime interruption of production.

RETAIL SALES TRENDS BY KINDS OF BUSINESS

Source: Bureau of Business Research in cooperation with the Bureau of the Census, U. S. Department of Commerce

Kind of business	Number of reporting establishments	Percent change: Normal seasonal* May from Apr	Actual May 1961 from Apr 1961	Actual May 1961 from May 1960	Actual Jan-May 1961 from Jan-May 1960
DURABLE GOODS					
Automotive stores†	315	+ 9	+ 19	— 1	— 13
Furniture and household appliance stores†	167	+ 14	+ 14	— 3	— 9
Lumber, building material, and hardware stores	263	+ 4	+ 11	+ 7	— 1
NONDURABLE GOODS					
Apparel stores	213	+ 1	+ 11	+ 2	— 4
Drug stores	200	+ 3	+ 9	+ 1	— 4
Eating and drinking places	87	+ 5	+ 5	— 2	— 3
Food stores	484	+ 3	+ 1	**	— 1
Gasoline and service stations	254	+ 2	+ 5	+ 3	**
General merchandise stores†	143	+ 6	+ 14	**	— 5
Other retail stores†	232	+ 7	+ 19	+ 3	— 2

* Average seasonal change from preceding month to current month.
** Change is less than one-half of one percent.
† Includes kinds of business other than classification listed.

The "pent-up" demand after the war meant that with the war savings, the price—as a proportion of income—was not so important to the buyer. The discount house gave price, with little or no salesmanship, and the customer assumed the chance of making a poor buy. National advertising made it seem a slight chance. All the elements were there: familiarity with and faith in the manufacturer; a less significant outlay; and no personal sales. The price of the discounter is important, but it is the advertising of the manufacturer which allows the discounter to operate on the basis he uses. Without advertising, the discounter would need location, salesmanship, and all the other elements needed by the traditional appliance retailer.

The increase in self-selection then, is a result of heavy advertising by the manufacturer and more disposable income for the family. It appears that so long as these developments continue, advertising will increase in importance.

The huge extension of credit has the simple effect of

City and item	May 1961	Percent change: May 1961 from Apr 1961	May 1961 from May 1960
AMARILLO (pop. 137,969)			
Retail sales	+ 6†	+ 10	— 18
Apparel stores	+ 1†	+ 5	— 21
Automotive stores	+ 9†	+ 2	— 12
Furniture and household appliance stores	+ 14†	+ 18	— 20
Postal receipts* $	187,726	**	+ 3
Building permits, less federal contracts $	2,805,491	— 4	+ 10
Bank debits (thousands) $	225,724	+ 11	+ 7
End-of-month deposits (thousands)‡ $	112,715	**	+ 2
Annual rate of deposit turnover	24.0	+ 14	+ 5
Employment (area)	51,500	**	— 3
Manufacturing employment (area)	5,400	— 1	— 10
Percent unemployed (area)	4.6	— 2	+ 31
ANDREWS (pop. 11,135)			
Postal receipts* $	6,764	+ 11	— 5
Bank debits (thousands) $	6,145	+ 3	.....
End-of-month deposits (thousands)‡ $	8,788	+ 13	.....
Annual rate of deposit turnover	8.9	**	.....
ARANSAS PASS (pop. 6,956)			
Postal receipts* $	3,755	— 7	+ 12
Building permits, less federal contracts $	30,660	— 64	+ 24
Bank debits (thousands) $	4,626	+ 15	+ 17
End-of-month deposits (thousands)‡ $	4,576	+ 11	+ 18
Annual rate of deposit turnover	12.8	+ 9	+ 4
ARLINGTON (pop. 44,775)			
Retail sales			
Apparel stores	+ 1†	+ 9	+ 19
Lumber, building material, and hardware stores	+ 4†	+ 8	+ 40
Postal receipts* $	42,370	+ 13	+ 16
Building permits, less federal contracts $	1,588,651	+ 72	+ 54
Bank debits (thousands) $	29,915	+ 3	.....
End-of-month deposits (thousands)‡ $	20,682	— 1	.....
Annual rate of deposit turnover	17.3	+ 5	.....
Employment (area)	213,000	+ 1	+ 1
Manufacturing employment (area)	53,400	**	— 2
Percent unemployed (area)	5.0	— 6	+ 28
AUSTIN (pop. 186,545)			
Retail sales	+ 6†	+ 7	— 4
Apparel stores	+ 1†	+ 4	— 6
Automotive stores	+ 9†	— 14	— 10
Drug stores	+ 3†	+ 2	— 1
Food stores	+ 3†	+ 2	— 5
Furniture and household appliance stores	+ 14	+ 35	— 9
Lumber, building material, and hardware stores	+ 4†	+ 12	— 5
Postal receipts* $	869,152	— 3	**
Building permits, less federal contracts $	5,324,331	— 18	+ 3
Bank debits (thousands) $	255,550	+ 22	+ 10
End-of-month deposits (thousands)‡ $	151,121	— 5	+ 12
Annual rate of deposit turnover	19.8	+ 25	+ 1
Employment (area)	78,500	**	+ 5
Manufacturing employment (area)	5,830	+ 1	— 5
Percent unemployed (area)	4.0	— 2	+ 5
BAY CITY (pop. 11,656)			
Retail sales			
Drug stores	+ 3†	+ 8	+ 3
Lumber, building material, and hardware stores	+ 4†	+ 29	+ 1
Postal receipts* $	10,417	— 9	— 7
Bank debits (thousands) $	13,469	.....	+ 17
End-of-month deposits (thousands)‡ $	18,711	.....	— 4
BISHOP (pop. 3,722)			
Postal receipts* $	2,551	— 5	+ 1
Building permits, less federal contracts $	35,000	.....	.....
Bank debits (thousands) $	2,294	+ 4	+ 17
End-of-month deposits (thousands)‡ $	2,174	— 5	+ 6
Annual rate of deposit turnover	12.4	+ 10	+ 11

City and item	May 1961	Percent change: May 1961 from Apr 1961	Percent change: May 1961 from May 1960
BAYTOWN (pop. 28,159)			
Postal receipts*	$ 24,518	+ 15	+ 10
Building permits, less federal contracts	$ 543,036	— 17	+ 52
Bank debits (thousands)	$ 28,723	+ 17	+ 7
End-of-month deposits (thousands)‡	$ 22,314	— 5	+ 4
Annual rate of deposit turnover	12.4	+ 24	+ 8
Employment (area)	512,800	**	+ 2
Manufacturing employment (area)	93,950	+ 1	— 1
Percent unemployed (area)	4.5	— 4	+ 10
BEAUMONT (pop. 119,175)			
Retail sales	+ 6†	+ 25	+ 1
Apparel stores	+ 1†	+ 3	+ 5
Automotive stores	+ 9†	+ 44	— 2
Furniture and household appliance stores	+ 14†	+ 58	+ 22
Lumber, building material, and hardware stores	+ 4†	**	+ 9
Postal receipts*	$ 112,472	— 3	+ 8
Building permits, less federal contracts	$ 1,062,390	— 6	+ 2
Bank debits (thousands)	$ 167,616	+ 9	+ 1
End-of-month deposits (thousands)‡	$ 96,881	— 2	+ 3
Annual rate of deposit turnover	20.5	+ 11	**
Employment (area)	107,700	**	+ 2
Manufacturing employment (area)	34,220	+ 1	+ 1
Percent unemployed (area)	8.0	**	+ 18
BEEVILLE (pop. 13,811)			
Retail sales			
Lumber, building material, and hardware stores	+ 4†	+ 3	+ 9
Postal receipts*	$ 9,731	— 15	— 12
Bank debits (thousands)	$ 9,690	+ 4	+ 2
End-of-month deposits (thousands)‡	$ 12,389	— 2	— 5
Annual rate of deposit turnover	9.3	+ 7	+ 8
BELLAIRE (pop. 19,872)			
Postal receipts*	$ 30,725	— 2	.....
Building permits, less federal contracts	$ 12,800	— 79	— 78
Bank debits (thousands)	$ 13,732	+ 9	.....
End-of-month deposits (thousands)‡	$ 8,287	— 1	.....
Annual rate of deposit turnover	19.8	+ 10	.....
Employment (area)	512,800	**	+ 2
Manufacturing employment (area)	93,950	+ 1	— 1
Percent unemployed (area)	4.5	— 4	+ 10
BIG SPRING (pop. 31,230)			
Retail sales	+ 6†	+ 3	— 8
Apparel stores	+ 1†	— 7	+ 8
Drug stores	+ 3†	+ 9	— 1
Lumber, building material, and hardware stores	+ 4†	+ 2	— 17
Postal receipts*	$ 30,182	+ 18	+ 1
Building permits, less federal contracts	$ 566,261	— 8	+ 78
Bank debits (thousands)	$ 40,874	+ 15	+ 11
End-of-month deposits (thousands)‡	$ 26,414	— 5	+ 2
Annual rate of deposit turnover	18.1	+ 17	+ 6
BRADY (pop. 5,338)			
Postal receipts*	$ 4,446	+ 8	+ 12
Building permits, less federal contracts	$ 46,900	+ 47	+ 25
Bank debits (thousands)	$ 5,483	+ 9	+ 11
End-of-month deposits (thousands)‡	$ 6,952	+ 3	+ 4
Annual rate of deposit turnover	9.6	+ 7	+ 7
BROWNWOOD (pop. 16,974)			
Retail sales			
Apparel stores	+ 1†	+ 8	**
Postal receipts*	$ 25,145	+ 8	+ 16
Building permits, less federal contracts	$ 45,470	— 28	— 30
Bank debits (thousands)	$ 16,371	+ 18	+ 10
End-of-month deposits (thousands) ‡	$ 12,720	— 2	+ 3
Annual rate of deposit turnover	15.3	+ 20	+ 6

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making the outlay for a product less important. This "monthly payment" approach has certainly led to the development of discounting and a decrease in personal selling in appliance retailing. The automobile industry and the personal selling job being done there also reflect the trend. The main function of the automobile salesman seems to be looking up monthly payments, keeping the customer in the showroom while they dicker, and then recording the sale. The salesman slyly suggests to the customer that the two of them are a team which must somehow "beat" the sales manager. This act is almost chicanery—but the important thing is that the salesman in no way stimulates or creates desire on the part of the customer, but merely persuades him that he cannot get the same car for less anywhere. Real selling is left up to the advertising of the manufacturer, the advertising of the dealer, and "planned obsolescence." Most customers are pre-sold to the extent that they *will* buy a car. All that remains is to shop for price. Evidently this is a reasonably efficient system because the manufacturer and the dealer continue to operate in this way.

ESTIMATES OF TOTAL RETAIL SALES

Classification	May 1961 (millions of dollars)	Jan-May 1961 (millions of dollars)	Percent-change: May 1961 from Apr 1961	Percent-change: May 1961 from May 1960	Percent-change: Jan-May 1961 from Jan-May 1960
TOTAL	$ 989.2	$ 4,428.8	+ 10	+ 3	— 2
Durable goods*	343.6	1,455.8	+ 16	+ 2	— 7
Nondurable goods	645.6	2,973.0	+ 8	+ 3	+ 1

* Contains automotive stores, furniture stores, and lumber, building material, and hardware stores.

Decline of Personal Salesmanship

The second development which points out the increasing importance of advertising is the deterioration of personal sales. That is, salesmanship in the creative sense is simply not being performed. This is most true in goods and services sold to the ultimate consumer. There is good evidence that a much better job is being done in the selling of industrial goods.

The lack of effective personal salesmanship, with a service attitude, has been "cussed" and discussed by everyone from economists to sales managers. Their attitude seems to be that the proper people are no longer being trained, or that able people are not available for retail saleswork. Selling has always been somewhat low on the social scale, and now capable men do not want to enter the field.

In actuality, personal salesmanship has declined in importance because many goods and services do not require highly creative selling. Since personal income is so high, and consumer advertising more efficient, even the most competent salesman cannot increase sales in proportion to his efforts.

Advertising has simply become more efficient than personal selling in the sale of most consumer commodities. It does not take a great deal of faith in our competitive system to believe that sellers would make personal sales a more rewarding career, if it were more efficient for them to do

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so. But after careful analysis and a good deal of experience, they have poured funds into advertising.

Why Advertising Has Increased

There are a number of reasons for this decision to emphasize advertising. Among them are: (1) new media available, (2) easier control of advertising expenses, (3) better knowledge of buying motives, especially those usually called "emotional," and (4) a public more willing to accept new products and old with very little personal service. The first of these factors needs no explanation, but the others are less obvious.

Personal selling expenses are becoming more rigid than they have been before. The only circumstances where these expenses are truly variable is under the straight commission method of compensation. There is a reluctance on the part of most salesmen to accept this type of payment plan, so industry has moved increasingly to the salary method plus some type of incentive. This incentive is often given on a company-wide basis rather than just to salesmen. As a result, sales costs become largely fixed.

Traditionally, management has desired to vary its selling costs as sales themselves vary. But, in this day of unions and "enlightened" management, it is increasingly difficult to vary the selling force on any short notice. There is too much attention paid to employee and public relations, severance benefits are too expensive, and employee fringe benefits must be taken into account.

If this situation is compared to the job of increasing or decreasing the funds to be expended for advertising, the meaning is clear. Advertising expenses are almost immediately variable. The hiring of salesmen is accepted as a fairly long-range decision by most firms; an increase in advertising expenses can be easily cut back, can be adjusted, in fact, quarter by quarter.

Another reason advertising is becoming more important is the increased dependence on emotional and subconscious motives in the sale of products. This change in emphasis has been largely based on the findings of motivation research. Whether an individual accepts these findings wholeheartedly or not, the advertising campaigns which resulted from these principles have often been astoundingly successful. And, advertising derives more benefit from the results of motivation research than does personal selling. This is due to the fact that the motives located by MR are not generally recognized by or acceptable to the consumer, who tends to view himself as a rational individual.

It is their very irrationality that makes these motives more appropriate to advertising. Salesmen would need more courage than most men have to point out to a customer his "real" reasons for a given purchase. Can you imagine an auto salesman telling a man that the hardtop sedan is a symbolic combination of mistress and wife? Yet, advertising can imply this very thing, by showing the product in certain surroundings and situations.

The use of these motivations by the cosmetics industry makes the point even clearer. It is difficult to imagine that men would use the deodorants they do if they were sold by another person. Getting people to accept new ideas of social significance has always been a delicate matter. If a man sold men's cosmetics, he would be considered effeminate by the customer. A woman making the same sales

City and item	May 1961	Percent change: May 1961 from Apr 1961	Percent change: May 1961 from May 1960
BRENHAM (pop. 7,740)			
Postal receipts*	$ 8,960	+ 8	+ 22
Building permits, less federal contracts	$ 95,135	+ 90	+120
Bank debits (thousands)	$ 8,510	— 11	+ 1
End-of-month deposits (thousands)‡	$ 11,877	**	— 4
Annual rate of deposit turnover	8.6	— 9	+ 5
BROWNSVILLE (pop. 48,040)			
Retail sales	+ 6†	+ 5	+ 9
Automotive stores	+ 9†	+ 4	+ 19
Lumber, building material, and hardware stores	+ 4†	+ 7	+ 31
Postal receipts*	$ 28,171	**	+ 2
Building permits, less federal contracts	$ 174,865	— 26	+ 28
Bank debits (thousands)	$ 28,168	— 7	+ 11
End-of-month deposits (thousands)‡	$ 18,029	+ 2	+ 6
Annual rate of deposit turnover	18.9	+ 1	+ 7
BRYAN (pop. 27,542)			
Retail sales	+ 6†	+ 4	**
Automotive stores	+ 9†	+ 6	+ 4
Food stores	+ 3†	+ 4	— 1
Lumber, building material, and hardware stores	+ 4†	+ 6	+ 1
Postal receipts*	$ 23,403	+ 10	+ 17
Building permits, less federal contracts	$ 97,289	— 88	— 51
Bank debits (thousands)	$ 22,840	+ 8	.....
End-of-month deposits (thousands)‡	$ 17,176	+ 9	.....
Annual rate of deposit turnover	16.6	+ 2	.....
CALDWELL (pop. 2,204)			
Postal receipts*	$ 2,039	— 9	+ 6
Bank debits (thousands)	$ 2,105	+ 12	+ 6
End-of-month deposits (thousands)‡	$ 3,806	— 1	+ 3
Annual rate of deposit turnover	6.6	+ 12	+ 3
CHILDRESS (pop. 6,399)			
Postal receipts*	$ 4,951	+ 22	— 1
Building permits, less federal contracts	$ 20,410	— 71	— 61
Bank debits (thousands)	$ 5,025	.....	.....
End-of-month deposits (thousands)‡	$ 6,140	.....	.....
CISCO (pop. 4,499)			
Postal receipts*	$ 3,443	— 16	— 24
Bank debits (thousands)	$ 3,193	+ 7	— 1
End-of-month deposits (thousands)‡	$ 3,701	— 1	— 5
Annual rate of deposit turnover	10.3	+ 3	+ 3
CLEBURNE (pop. 15,381)			
Postal receipts*	$ 15,022	+ 16	+ 8
Bank debits (thousands)	$ 10,551	+ 6	.....
End-of-month deposits (thousands)‡	$ 11,622	+ 1	.....
Annual rate of deposit turnover	10.9	+ 6	.....
Employment (area)	444,400	+ 1	+ 2
Manufacturing employment (area)	97,575	+ 1	+ 4
Percent unemployed (area)	4.5	— 6	+ 41
CLUTE CITY (pop. 4,501)			
Postal receipts*	$ 2,356	+ 27	+ 30
Building permits, less federal contracts	$ 33,572	+ 24	— 17
Bank debits (thousands)	$ 1,487	+ 1	+ 21
End-of-month deposits (thousands)‡	$ 1,260	+ 1	+ 10
Annual rate of deposit turnover	14.2	+ 2	+ 8
COLEMAN (pop. 6,371)			
Postal receipts*	$ 5,892	— 4	— 6
Building permits, less federal contracts	$ 32,400	+ 31	+568
Bank debits (thousands)	$ 6,221	.....	.....
End-of-month deposits (thousands)‡	$ 10,345	.....	.....
COLLEGE STATION (pop. 11,396)			
Building permits, less federal contracts	$ 177,490	+229	.....
Bank debits (thousands)	$ 3,509	+ 8	**
End-of-month deposits (thousands)‡	$ 2,655	— 5	+ 8
Annual rate of deposit turnover	15.4	+ 5	— 4

City and item	May 1961	Percent change: May 1961 from Apr 1961	Percent change: May 1961 from May 1960
COPPERAS COVE (pop. 4,567)			
Postal receipts*	$ 2,003	**	+ 6
Bank debits (thousands)	$ 1,173	+ 26	+103
End-of-month deposits (thousands)‡	$ 770	+ 5	+ 32
Annual rate of deposit turnover	18.8	+ 31	+ 52
CORPUS CHRISTI (pop. 167,690)			
Retail sales	+ 6†	+ 19	— 4
Apparel stores	+ 1†	— 3	**
Automotive stores	+ 9†	+ 32	— 7
Postal receipts*	$ 161,930	+ 3	**
Building permits, less federal contracts	$ 1,059,723	— 33	— 30
Bank debits (thousands)	$ 193,464	+ 2	+ 8
End-of-month deposits (thousands)‡	$ 105,445	— 1	**
Annual rate of deposit turnover	21.8	+ 1	+ 8
Employment (area)	63,100	**	— 3
Manufacturing employment (area)	8,590	**	+ 1
Percent unemployed (area)	6.9	— 8	+ 13
CORSICANA (pop. 20,344)			
Postal receipts*	$ 19,582	+ 23	— 26
Building permits, less federal contracts	$ 43,040	— 34	— 70
Bank debits (thousands)	$ 15,091	— 2	— 1
End-of-month deposits (thousands)‡	$ 18,995	+ 1	— 1
Annual rate of deposit turnover	9.6	— 1	+ 1
CRYSTAL CITY (pop. 9,101)			
Postal receipts*	$ 2,720	— 4	— 4
Building permits, less federal contracts	$ 30,255	+ 85	— 48
Bank debits (thousands)	$ 2,999	+ 44	— 7
End-of-month deposits (thousands)‡	$ 2,419	— 10	— 7
Annual rate of deposit turnover	14.1	+ 48	— 7
DALLAS (pop. 679,684)			
Retail sales	+ 6†	+ 8	— 1
Apparel stores	+ 5†	+ 8	+ 4
Automotive stores	+ 12†	+ 16	+ 7
Eating and drinking places	+ 4†	+ 4	— 1
Food stores	+ 3†	+ 5	— 8
Furniture and household appliance stores	+ 9†	— 5	— 12
Jewelry stores		+ 81	+ 21
Lumber, building material, and hardware stores	— 6†	+ 9	+ 9
Office, store, and school supply dealers	**†	+ 16	+ 2
Postal receipts*	$ 2,311,283	+ 2	+ 7
Building permits, less federal contracts	$20,186,465	+ 55	+117
Bank debits (thousands)	$ 3,206,912	+ 13	+ 8
End-of-month deposits (thousands)‡	$ 1,168,424	— 5	+ 7
Annual rate of deposit turnover	32.2	+ 14	**
Employment (area)	444,400	+ 1	+ 2
Manufacturing employment (area)	97,575	+ 1	+ 4
Percent unemployed (area)	4.5	— 6	+ 41
DEER PARK (pop. 4,865)			
Postal receipts*	$ 4,904	+ 5	— 3
Building permits, less federal contracts	$ 95,100	— 70	+227
Bank debits (thousands)	$ 3,169	— 11	+ 3
End-of-month deposits (thousands)‡	$ 1,936	**	+ 47
Annual rate of deposit turnover	19.7	— 1	— 23
Employment (area)	512,800	**	+ 2
Manufacturing employment (area)	93,950	+ 1	— 1
Percent unemployed (area)	4.5	— 4	+ 10
DEL RIO (pop. 18,612)			
Retail sales	+ 6†	+ 2	— 10
Automotive stores	+ 9†	+ 5	— 5
Lumber, building material, and hardware stores	+ 4†	— 6	— 24
Postal receipts*	$ 11,887	+ 14	+ 3
Building permits, less federal contracts	$ 43,112	— 3	— 88
Bank debits (thousands)	$ 10,554	+ 16	— 1
End-of-month deposits (thousands)‡	$ 12,928	+ 4	+ 9
Annual rate of deposit turnover	10.0	+ 15	— 8

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points would probably be embarrassing to the male customer. But, in the privacy of his living room the customer can be sold, and in the impersonal, self service store the purchase can be made.

The last reason for increased use of advertising has been mentioned earlier. As spendable income grows greater, reluctance to buy is reduced and can be overcome through advertising. That this income growth has occurred is the dramatic economic fact of our time. Increased ease of selling is only one of many benefits and problems presented to marketing management stemming from that remarkable growth.

CREDIT RATIOS IN DEPARTMENT AND APPAREL STORES

Classification	Number of reporting stores	Ratio of credit sales to net sales*: May 1961	Ratio of credit sales to net sales*: May 1960	Ratio of collections to outstandings†: May 1961	Ratio of collections to outstandings†: May 1960
ALL STORES	52	69.4	69.6	33.8	33.6
BY CITIES					
Austin	5	67.1	64.4	48.0	48.6
Cleburne	3	45.0	49.3	42.6	49.2
Dallas	4	82.3	81.6	39.4	37.7
Fort Worth	3	66.4	67.6	32.9	31.4
Galveston	3	62.7	63.3	43.9	44.2
Houston	6	69.5	70.6	30.5	30.9
Waco	4	57.0	57.5	40.0	39.8
BY TYPE OF STORE					
Department stores (over $1 million)	20	69.9	70.1	33.1	32.7
Department stores (under $1 million)	16	47.9	49.6	40.5	41.2
Dry goods and apparel stores	4	76.3	76.1	49.4	56.3
Women's specialty shops	6	70.9	71.2	36.6	36.9
Men's clothing stores	6	71.5	71.2	41.3	41.3
BY VOLUME OF NET SALES					
$1,500,000 and over	21	70.6	70.9	33.5	33.2
$500,000 to $1,500,000	10	57.0	55.2	42.2	43.1
$250,000 to $500,000	10	46.6	47.9	39.6	40.2
Less than $250,000	11	48.0	46.7	41.4	41.6

* Credit sales divided by net sales.
† Collections during the month as a percent of accounts unpaid on the first of the month.

In light of the above facts, what may we look for in the future? Obviously, some assumptions need to be made for any projection. The most basic assumption is that the country will continue to progress economically and that disposable income for most families will continue to rise.

A second assumption concerns advertising itself. It must become increasingly efficient. If advertising continues to make progress in media selection, market identification, motivation research and research on effectiveness, the trend should continue. Lack of knowledge about an untried campaign's effectiveness is the greatest shortcoming of advertising. Yet the powerful new techniques of the social sciences and mathematics suggest that more about the effects of advertising can be discovered.

If higher incomes and more effective advertising are assumed, a distinctly more streamlined marketing process can safely be predicted. This streamlining could be charac-

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terized by even less emphasis on personal selling, more specialized middlemen, and less duplication of effort by manufacturer and dealer.

Personal selling may be relegated completely to industrial selling, sales to middlemen, and those consumer goods which actually require "tailoring" for the buyer. This would include real estate and insurance and similar products and services. Even these, interestingly, are becoming less personal. The use of mass housing developments and group insurance plans are evidence of this.

This is not to imply that salesmen will be any less important. Quite the opposite is true. Salesmen will be more important because the size of the transactions will increase, and salesmen will have greater control over more goods. We may have fewer people called "salesmen," but they will be completely different from the many, many "ribbon clerks" now designated as salesmen.

Advertising is becoming more important in our economy. This trend will probably continue, and is predicted by the growth of self-selection and the lack of creative selling by most so-called salesmen. This trend is undoubtedly beneficial to the economy in general and reflects the growing productivity of marketing. The same sales results can be gained through mass selling, rather than personal selling. The change, which seems to be developing rapidly, will cause some problems. But most of the problems will be in our thinking. For there is no real problem in more goods and services being sold more cheaply to a greater number of people.

POSTAL RECEIPTS

City	Apr 29-May 26 1961	Apr 29-May 26 1961 from Apr 1-Apr 28 1961	Apr 29-May 26 1961 from Apr 30-May 27 1960
Angleton	5,725	— 7	+ 3
Athens	8,053	+ 12	+ 1
Borger	17,000	+ 6	+ 3
Brownfield	9,148	— 4	+ 8
Cuero	5,726	+ 26	+ 9
Eagle Pass	6,407	+ 9	+ 1
El Campo	8,499	+ 1	— 6
Freeport	12,833	— 11	— 19
Gainesville	11,475	— 15	— 14
Gonzales	5,439	— 12	— 17
Groves	4,739	— 5	— 3
Hillsboro	6,362	+ 5	+ 1
Huntsville	9,521	+ 35	— 38
Hurst	4,976	— 17	— 20
Irving	35,094	+ 53	+ 60
Kenedy	3,637	+ 10	— 6
Kermit	6,933	— 10	— 2
Kerrville	10,812	+ 6	+ 2
Kirbyville	2,942	— 8	— 10
La Grange	4,133	— 7	— 2
Lake Jackson	5,058	+ 12	— 5
Littlefield	6,559	+ 16	+ 8
Marlin	5,871	— 5	— 2
Navasota	4,882	+ 14	+ 2
Pecos	11,540	+ 21	+ 3
Pittsburg	3,337	— 1	+ 10
Port Lavaca	7,587	+ 5	— 2
Richardson	16,029	— 8	— 14
Taft	2,422	— 9	— 4
Weatherford	8,222	— 16	— 4

City and item	May 1961	Percent change: May 1961 from Apr 1961	Percent change: May 1961 from May 1960
DENISON (pop. 22,748)			
Retail sales	+ 6†	+ 30	— 6
Automotive stores	+ 9†	+ 40	— 10
Drug stores	+ 3†	+ 11	+ 2
Postal receipts* $	18,056	— 7	— 3
Building permits, less federal contracts $	205,519	.....	— 5
Bank debits (thousands) $	17,565	+ 1	+ 9
End-of-month deposits (thousands)‡ $	16,194	**	+ 17
Annual rate of deposit turnover	13.6	— 2	— 2
DENTON (pop. 26,844)			
Retail sales			
Drug stores	+ 3†	+ 14	— 6
Postal receipts* $	30,484	+ 12	+ 1
Building permits, less federal contracts $	314,550	.....	+ 24
Bank debits (thousands) $	19,213	+ 11	+ 11
End-of-month deposits (thousands)‡ $	18,759	— 1	+ 1
Annual rate of deposit turnover	12.2	+ 11	+ 7
Employment (area)	444,400	+ 1	+ 2
Manufacturing employment (area)	97,575	+ 1	+ 4
Percent unemployed (area)	4.5	— 6	+ 41
DONNA (pop. 7,522)			
Postal receipts* $	3,056	— 9	+ 7
Building permits, less federal contracts $	596,260	+548	.....
Bank debits (thousands) $	3,097	— 12	+ 18
End-of-month deposits (thousands)‡ $	2,539	— 3	— 8
Annual rate of deposit turnover	14.4	— 15	+ 20
EDINBURG (pop. 18,706)			
Postal receipts* $	10,705	+ 9	+ 3
Building permits, less federal contracts $	586,822	+475	+ 5
Bank debits (thousands) $	15,877	+ 30	+ 28
End-of-month deposits (thousands)‡ $	8,726	— 13	— 1
Annual rate of deposit turnover	20.3	+ 30	+ 25
EDNA (pop. 5,038)			
Postal receipts* $	3,623	— 18	— 23
Building permits, less federal contracts $	46,650	+ 26	— 23
Bank debits (thousands) $	3,651	+ 5	— 15
End-of-month deposits (thousands)‡ $	5,646	— 1	— 1
Annual rate of deposit turnover	7.7	+ 7	— 13
ELECTRA (pop. 4,759)			
Bank debits (thousands) $	2,630	— 6	— 6
End-of-month deposits (thousands)‡ $	2,621	+ 10	— 13
Annual rate of deposit turnover	12.6	+ 7	+ 5
EL PASO (pop. 276,687)			
Retail sales	+ 6†	+ 9	+ 1
Apparel stores	+ 1†	+ 7	— 1
General merchandise stores	+ 6†	+ 4	+ 1
Lumber, building material, and hardware stores	+ 4†	+ 45	+ 9
Postal receipts* $	282,549	+ 3	+ 4
Building permits, less federal contracts $	6,164,236	+ 73	+ 50
Bank debits (thousands) $	341,979	+ 11	+ 2
End-of-month deposits (thousands)‡ $	171,072	— 6	+ 5
Annual rate of deposit turnover	232	+ 13	— 4
Employment (area)	91,200	**	+ 1
Manufacturing employment (area)	13,750	+ 1	— 4
Percent unemployed (area)	5.0	— 12	— 6
GALENA PARK (pop. 10,852)			
Postal receipts* $	4,690	+ 6	— 10
Building permits, less federal contracts $	8,455	— 70	— 50
Bank debits (thousands) $	4,340	+ 10	— 13
End-of-month deposits (thousands)‡ $	5,035	— 5	+ 18
Annual rate of deposit turnover	10.1	+ 15	— 23
Employment (area)	512,800	**	+ 2
Manufacturing employment (area)	93,950	+ 1	— 1
Percent unemployed (area)	4.5	— 4	+ 10

City and item	May 1961	Percent change: May 1961 from Apr 1961	Percent change: May 1961 from May 1960
FORT WORTH (pop. 356,268)			
Retail sales	+ 6†	+ 10	— 2
Apparel stores	+ 3†	— 3	— 3
Automotive stores	+ 11†	+ 28	— 7
Drug stores	+ 3†	+ 7	— 4
Eating and drinking places	+ 6†	+ 7	— 6
Food stores	+ 4†	— 1	+ 3
Furniture and household appliance stores	+ 26†	+ 10	— 25
Gasoline and service stations	+ 4†	— 1	— 6
General merchandise stores	+ 14†	+ 12	+ 2
Liquor stores	.....	+ 10	— 8
Lumber, building material, and hardware stores	+ 4†	+ 14	— 1
Postal receipts* $	709,804	**	+ 3
Building permits, less federal contracts $	7,447,311	— 8	+ 36
Bank debits (thousands) $	799,062	+ 14	+ 3
End-of-month deposits (thousands)‡ $	376,668	+ 2	+ 4
Annual rate of deposit turnover	25.7	+ 12	**
Employment (area)	213,000	+ 1	+ 1
Manufacturing employment (area)	53,400	**	— 2
Percent unemployed (area)	5.0	— 6	+ 28
FREDERICKSBURG (pop. 4,629)			
Retail sales	+ 6†	+ 33	+ 11
Food stores	+ 3†	+ 2	+ 5
Postal receipts* $	4,937	**	— 12
Building permits, less federal contracts $	105,375	+497	+ 47
Bank debits (thousands) $	8,166	+ 42	+ 28
End-of-month deposits (thousands)‡ $	7,761	— 3	**
Annual rate of deposit turnover	12.4	+ 38	+ 29
GALVESTON (pop. 67,175)			
Retail sales	+ 6†	+ 10	— 3
Apparel stores	+ 1†	**	+ 5
Automotive stores	+ 9†	+ 14	— 13
Food stores	+ 3†	— 4	**
Furniture and household appliance stores	+ 14†	+ 31	+ 6
Postal receipts* $	78,101	— 16	— 10
Building permits, less federal contracts $	227,734	— 23	— 92
Bank debits (thousands) $	90,072	+ 6	— 3
End-of-month deposits (thousands)‡ $	61,460	— 4	+ 1
Annual rate of deposit turnover	17.3	+ 7	— 3
Employment (area)	53,000	**	+ 6
Manufacturing employment (area)	10,690	**	— 1
Percent unemployed (area)	7.5	+ 7	+ 23
GARLAND (pop. 38,501)			
Postal receipts* $	30,252	+ 4	+ 2
Building permits, less federal contracts $	1,362,301	+ 5	— 19
Bank debits (thousands) $	25,020	+ 12	+ 9
End-of-month deposits (thousands)‡ $	14,531	— 9	+ 6
Annual rate of deposit turnover	19.7	+ 18	— 4
Employment (area)	444,400	+ 1	+ 2
Manufacturing employment (area)	97,575	+ 1	+ 4
Percent unemployed (area)	4.5	— 6	+ 41
GATESVILLE (pop. 4,626)			
Postal receipts* $	4,418	+ 32	+ 4
Bank debits (thousands) $	4,491	**	+ 4
End-of-month deposits (thousands)‡ $	5,355	+ 3	— 1
Annual rate of deposit turnover	10.2	— 2	+ 6
GLADEWATER (pop. 5,742)			
Postal receipts* $	6,237	+ 9	+ 12
Building permits, less federal contracts $	239,150	+6752	+1192
Bank debits (thousands) $	3,007	— 13	— 9
End-of-month deposits (thousands)‡ $	5,119	+ 8	+ 24
Annual rate of deposit turnover	7.3	— 15	— 25
Employment (area)	28,500	+ 1	+ 1
Manufacturing employment (area)	5,640	+ 1	+ 9
Percent unemployed (area)	4.3	+ 8	+ 30

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THE HOMEBULDING EVOLUTION

By CHARLES O. BETTINGER, III

Modern homebuilding is no longer the simple shelter-building act of providing four walls and a roof that it was for many postwar years when the industry was working overtime to satisfy the huge pent-up demand for housing. The modern homebuilder must be as up-to-date on new fashions and materials as the New York buyer at a French fashion show, for today homebuilding is a highly competitive business. Without continuing market analysis which is used to produce modern styling, the builder will find himself with a costly, mounting inventory of obsolete houses. The successful builder is the well-informed contractor with an open mind toward new products and an awareness of the dynamic aspects of the homebuilding market.

Many builders have learned that the tail end of a fad can be most costly. They either ignored the new trend or resisted it too long. The answer to this problem is for the builder to be better informed of new products and design features which might catch the fancy of the homebuying market. Trade journals and magazines dedicate a large portion of their contents to these innovations in building methods and materials. The wise contractor will study these periodicals with a careful eye to determine the feasibility of incorporating these new ideas in his own structures.

A working trial of some products in a small sample of the contractor's work might prove to be a quite valuable investment with a relatively small amount of capital at stake. However, care should be taken by the builder to fully guarantee any work done using untried materials to maintain his good reputation. A satisfied customer is the best form of advertising and will often provide leads to new sales.

Subdivision Planning

The modern builder must not miss a single marketing opportunity from the selection of the original site of the home to the finishing touches. Some builders initiate plans as far back as the original planning of the subdivision—another factor also subject to modernization. Popular styles of volume-built homes change as radically as do the custom-built homes at higher prices. This means that the volume builder must be as alert as the smaller one-at-a-time contractor. No builder can afford to be uninformed in the current buyer's market.

Area evaluation and location within the area are two major factors to consider when the builder approves the final floor plans of the homes to be constructed. The builder with experience in the area has the jump on the one moving into a new territory. The newcomer must be very careful in his analysis of the new territory giving much emphasis to the economic trend of the locality concerned and the price range of the homes in the immediate vicinity. He must not build an overpriced home in any neighborhood without some compensating reason. He must keep in mind that styles vary greatly by geographic area.

City and item	May 1961	Percent change: May 1961 from Apr 1961	Percent change: May 1961 from May 1960
GIDDINGS (pop. 2,821)			
Postal receipts*	$ 3,545	+ 27	+ 31
Building permits, less federal contracts	$ 38,000	+127	— 18
Bank debits (thousands)	$ 2,859	+ 16	+ 14
End-of-month deposits (thousands)‡	$ 3,595	— 3	— 3
Annual rate of deposit turnover	9.4	+ 16	+ 15
GOLDTHWAITE (pop. 1,383)			
Postal receipts*	$ 2,261	+ 47	+ 33
Bank debits (thousands)	$ 4,597	+ 12	+ 31
End-of-month deposits (thousands)‡	$ 3,913	+ 15	+ 12
Annual rate of deposit turnover	15.1	+ 5	+ 24
GRAHAM (pop. 8,505)			
Postal receipts*	$ 6,950	— 12	— 14
Building permits, less federal contracts	$ 42,225	+ 64	— 82
Bank debits (thousands)	$ 8,678	+ 4	— 14
End-of-month deposits (thousands)‡	$ 9,911	+ 1	— 2
Annual rate of deposit turnover	10.6	+ 5	— 10
GRANBURY (pop. 2,227)			
Postal receipts*	$ 3,406	— 6	— 2
Bank debits (thousands)	$ 1,387	.....	.....
End-of-month deposits (thousands)‡	$ 1,822	.....	.....
GRAND PRAIRIE (pop. 30,386)			
Postal receipts*	$ 23,004	+ 3	— 8
Building permits, less federal contracts	$ 298,405	+ 12	— 42
Bank debits (thousands)	$ 16,911	+ 28	.....
End-of-month deposits (thousands)‡	$ 12,557	+ 3	.....
Annual rate of deposit turnover	16.4	+ 29	.....
Employment (area)	444,400	+ 1	+ 2
Manufacturing employment (area)	97,575	+ 1	+ 4
Percent unemployed (area)	4.5	— 6	+ 41
GRAPEVINE (pop. 2,821)			
Building permits, less federal contracts	$ 7,250	— 76	.....
Bank debits (thousands)	$ 2,526	+ 16	+ 2
End-of-month deposits (thousands)‡	$ 2,908	+ 4	+ 14
Annual rate of deposit turnover	10.6	+ 14	— 10
GREENVILLE (pop. 19,087)			
Retail sales	+ 6†	+ 39	+ 29
Drug stores	+ 3†	+ 10	+ 9
Lumber, building material, and hardware stores	+ 4†	+ 28	+ 6
Postal receipts*	$ 18,928	— 10	+ 10
Building permits, less federal contracts	$ 303,380	+374	+104
Bank debits (thousands)	$ 14,941	+ 7	+ 4
End-of-month deposits (thousands)‡	$ 17,079	+ 2	+ 15
Annual rate of deposit turnover	10.6	+ 5	— 9
HALE CENTER (pop. 2,196)			
Postal receipts*	$ 1,473	**	— 4
Building permits, less federal contracts	$ 6,250	— 73	— 53
Bank debits (thousands)	$ 2,216	+ 9	+ 13
End-of-month deposits (thousands)‡	$ 3,563	— 6	— 2
Annual rate of deposit turnover	7.2	+ 20	+ 13
HARLINGEN (pop. 41,207)			
Retail sales	+ 6†	+ 10	— 5
Furniture and household appliance stores	+ 14†	+ 23	+ 3
Lumber, building material, and hardware stores	+ 4†	+ 4	+ 7
Postal receipts*	$ 35,921	+ 5	+ 11
Building permits, less federal contracts	$ 84,470	— 57	— 74
Bank debits (thousands)	$ 36,944	+ 3	+ 6
End-of-month deposits (thousands)‡	$ 26,590	+ 2	+ 4
Annual rate of deposit turnover	16.8	+ 3	+ 2
HEMPSTEAD (pop. 1,505)			
Postal receipts*	$ 4,279	+ 28	+ 29
Bank debits (thousands)	$ 1,123	— 9	+ 12
End-of-month deposits (thousands)‡	$ 1,898	**	— 2
Annual rate of deposit turnover	7.1	— 7	+ 13

City and item	May 1961	Percent change: May 1961 from Apr 1961	Percent change: May 1961 from May 1960
HENDERSON (pop. 9,666)			
Retail sales			
Apparel stores	+ 1†	+ 16	— 4
Automotive stores	+ 9†	+ 8	— 18
Food stores	+ 3†	— 2	— 2
Postal receipts*	$ 12,011	+ 48	+ 10
Building permits, less federal contracts	$ 61,150	— 57	+ 76
Bank debits (thousands)	$ 7,231	**	— 26
End-of-month deposits (thousands)‡	$ 14,869	**	— 3
Annual rate of deposit turnover	5.8	**	— 23
HEREFORD (pop. 7,652)			
Postal receipts*	$ 7,021	+ 8	— 6
Building permits, less federal contracts	$ 112,250	— 6	+ 31
Bank debits (thousands)	$ 12,818	+ 5	+ 19
End-of-month deposits (thousands)‡	$ 10,672	— 2	+ 9
Annual rate of deposit turnover	14.3	+ 9	+ 12
HOUSTON (pop. 938,219)			
Retail sales	+ 7†	+ 13	**
Apparel stores	+ 1†	+ 20	+ 1
Automotive stores	+ 9†	+ 19	+ 5
Drug stores	+ 1†	+ 3	— 10
Eating and drinking places	+ 5†	+ 7	+ 3
Food stores	+ 3†	**	+ 3
Furniture and household appliance stores	+ 8†	+ 14	+ 2
Gasoline and service stations	+ 1†	+ 4	+ 3
General merchandise stores	+ 10†	+ 27	— 29
Liquor stores	+ 3†	— 2	+ 6
Lumber, building material, and hardware stores	+ 9†	+ 3	+ 28
Postal receipts*	$ 1,599,013	+ 1	— 4
Building permits, less federal contracts	$34,785,058	+120	+146
Bank debits (thousands)	$ 2,805,562	+ 14	+ 9
End-of-month deposits (thousands)‡	$ 1,274,961	— 4	+ 3
Annual rate of deposit turnover	25.9	+ 15	+ 4
Employment (area)	512,800	**	+ 2
Manufacturing employment (area)	93,950	+ 1	— 1
Percent unemployed (area)	4.5	— 4	+ 10
IOWA PARK (pop. 3,295)			
Building permits, less federal contracts	$ 68,400	— 14	.....
Bank debits (thousands)	$ 2,987	+ 5	+ 12
End-of-month deposits (thousands)‡	$ 3,500	+ 5	+ 7
Annual rate of deposit turnover	10.5	+ 2	+ 8
JACKSONVILLE (pop. 9,590)			
Postal receipts*	$ 18,511	+ 21	— 1
Building permits, less federal contracts	$ 225,900	+ 61	+391
Bank debits (thousands)	$ 10,172	+ 4	+ 1
End-of-month deposits (thousands)‡	$ 8,741	**	+ 7
Annual rate of deposit turnover	14.0	+ 3	— 6
JASPER (pop. 4,889)			
Postal receipts*	$ 6,138	— 21	— 17
Building permits, less federal contracts	$ 42,450	+192	.....
Bank debits (thousands)	$ 8,347	+ 10	+ 3
End-of-month deposits (thousands)‡	$ 8,479	— 3	+ 3
Annual rate of deposit turnover	11.6	+ 10	+ 1
JUSTIN (pop. 622)			
Bank debits (thousands)	$ 1,202	+ 18	+ 3
End-of-month deposits (thousands)‡	$ 635	— 4	— 11
Annual rate of deposit turnover	22.3	+ 21	+ 12
KILGORE (pop. 10,092)			
Postal receipts*	$ 12,105	— 4	— 2
Building permits, less federal contracts	$ 110,060	+ 4	+ 63
Bank debits (thousands)	$ 12,437	+ 4	+ 4
End-of-month deposits (thousands)‡	$ 13,167	**	— 7
Annual rate of deposit turnover	11.3	+ 4	+ 12
Employment (area)	28,500	+ 1	+ 1
Manufacturing employment (area)	5,640	+ 1	+ 9
Percent unemployed (area)	4.3	+ 8	+ 30

Homebuilding . . .

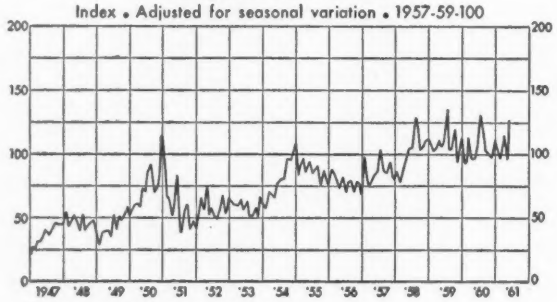
Floor Plans

Popularity of various floor plans within specific price ranges is a most important aspect to the individual builder. The popular medium-priced home has just completed a phase of popularity when all homes with three bedrooms met with acceptance regardless of their size. The current trend shows that a growing number of prospective buyers would like to have three bedrooms, but are willing to sacrifice the third bedroom for other facilities at the same cost. The popular favorite among families in the Southwest is the "den." Originally set aside as a hideaway for the man of the house, the den has been invaded by the entire family and is quite often called a "family room." This second living area has become considerably more popular than the additional bedroom as families have tended to decrease in size.

While some buyers are willing to sacrifice the third bedroom, few are willing to give away the second bath to reduce the cost of the home. Special emphasis is placed also on quality in the bathroom with most large builders offering superior and sometimes elegant fixtures. Almost ironically, buyers in the medium-priced range have insisted on higher-than-medium-priced furnishings for the bath as evidenced by their sales appeal.

Building Construction in Texas*

Index • Adjusted for seasonal variation • 1957-59-100



*Value of building construction authorized.

Storage space demands much thought in home design. Walk-in closets are an expensive, but sometimes necessary, feature. Some popular models have two closets in the master bedroom complemented with large spacious closets through out the rest of the house. Proper closet shelving enhances use of the available space and shelves to the top of the closet provide for maximum utility. Location of the linen closets get a critical analysis. They must be large and conveniently located.

Kitchen Appeals

The kitchen is the domain of the lady of the house and must meet with her approval. There is no better way to gain a woman's acceptance of the entire house than to impress her with the fine attributes of a well-built kitchen. Appliance makers have progressed very far in this field with new and modern appliances in all price ranges. Built-ins are commonplace and in some areas are needed to sell the house.

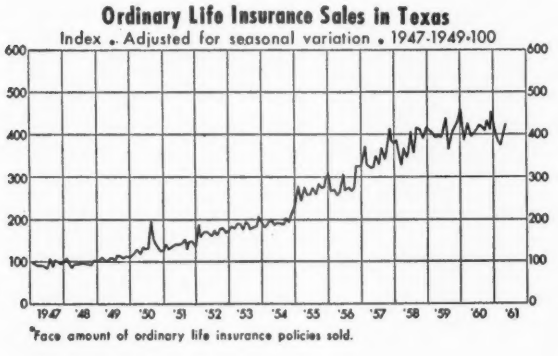
Another factor in kitchen appeal is a reference back to

Homebuilding . . .

the basic use of the kitchen. In many medium-priced homes, the kitchen also serves as an entertainment area. Quite often company will be invited into the kitchen while the meal is getting its final touches. The hostess must be proud of her kitchen and the extras which she has bought (in the purchase price of the house). The room must be warm and inviting, yet spacious. Women are highly critical of the proper eating space, (especially if there is no formal dining room), adequate counter space, good lighting and enough electrical outlets in the kitchen.

It is in the field of kitchen extras that a builder has the widest choice. The deciding factor is usually cost and the more expensive the home, the more extras the kitchen can display. Many advances have been made in each appliance field: refrigerators are leading the way with features such as automatic ice-makers, frost-free components, magnetic doors, thin-wall insulation (increasing storage), and separate freezers (for more efficiency).

Ranges have undergone the latest changes with built-in or wall-hung ovens for efficient use of existing space. And for the housewives with oven-cleaning problems, the light-


Ordinary Life Insurance Sales in Texas
Index . Adjusted for seasonal variation . 1947-1949=100
600
500
400
300
200
100
0
1947 '48 '49 '50 '51 '52 '53 '54 '55 '56 '57 '58 '59 '60 '61
*Face amount of ordinary life insurance policies sold.

weight, pull-out oven liners have met that need. Complementing the new ranges are range hoods with ducts or ductless, electrostatic air cleaning. Some fold-away models are quite new with their cook-and-put-up feature that uses no space when they are not in use.

Other kitchen complements which the builder may see fit to add for extra sales appeal are combination washer-dryers; new, quieter, and more durable disposal units; and regular or wall-hung dishwashers. Good lighting is a necessity and luminous ceiling lighting is gaining prestige.

Reflecting back on the installation of these extra features, the builder must keep one objective in mind: Will the added cost of the feature create the like amount of sales appeal? There must be a proper balance between the total cost of the home and the amount invested in additional conveniences. Also, the income group which he is striving to sell to must be taken into account, for each increment adding to the cost of the house will price some part of the lower-income group out of the market. However, this may be all or partially offset by the added appeal to a group with a larger income. A periodic review should be made by the builder to see if he is reaching the desired level of consumer income.

City and item	May 1961	Percent change: May 1961 from Apr 1961	Percent change: May 1961 from May 1960
KILLEEN (pop. 23,377)			
Postal receipts*	$ 25,096	+ 3	— 8
Building permits, less federal contracts	$ 589,950	+374	+107
Bank debits (thousands)	$ 11,875	+ 22	+ 20
End-of-month deposits (thousands)‡	$ 8,348	— 2	+ 19
Annual rate of deposit turnover	16.9	+ 21	+ 2
KINGSVILLE (pop. 25,297)			
Postal receipts*	$ 12,048	— 14	— 14
Building permits, less federal contracts	$ 312,000	+350	— 15
Bank debits (thousands)	$ 10,267	— 7	— 6
End-of-month deposits (thousands)‡	$ 11,858	+ 2	+ 5
Annual rate of deposit turnover	10.5	— 3	— 5
LA FERIA (pop. 3,047)			
Postal receipts*	$ 1,891	— 16	— 1
Building permits, less federal contracts	$ 20,000	+641	+ 52
Bank debits (thousands)	$ 1,838	+ 28	.....
End-of-month deposits (thousands)‡	$ 1,251	+ 1	.....
Annual rate of deposit turnover	17.7	+ 31	.....
LA MARQUE (pop. 13,969)			
Postal receipts*	$ 7,876	**	+ 14
Building permits, less federal contracts	$ 77,244	+ 35	— 29
Bank debits (thousands)	$ 7,715	+ 13	+ 7
End-of-month deposits (thousands)‡	$ 5,635	+ 19	— 16
Annual rate of deposit turnover	17.9	**	+ 30
Employment (area)	53,000	**	+ 6
Manufacturing employment (area)	10,690	**	— 1
Percent unemployed (area)	7.5	+ 7	+ 23
LAMESA (pop. 12,438)			
Retail sales	+ 6†	+ 4	— 7
Automotive stores	+ 9†	— 2	— 12
Drug stores	+ 3†	— 3	**
Furniture and household appliance stores	+ 14†	— 8	— 7
Postal receipts*	$ 10,816	+ 27	+ 12
Building permits, less federal contracts	$ 188,750	+ 11	+ 21
Bank debits (thousands)	$ 12,966	— 11	+ 9
End-of-month deposits (thousands)‡	$ 14,571	— 4	+ 5
Annual rate of deposit turnover	10.4	— 5	+ 4
LAMPASAS (pop. 5,061)			
Postal receipts*	$ 4,637	+ 7	+ 20
Building permits, less federal contracts	$ 53,000	— 11	+ 31
Bank debits (thousands)	$ 7,811	+ 17	+ 6
End-of-month deposits (thousands)‡	$ 6,560	+ 1	**
Annual rate of deposit turnover	14.4	+ 16	+ 4
LEVELLAND (pop. 10,153)			
Postal receipts*	$ 7,267	**	— 12
Building permits, less federal contracts	$ 256,800	+ 84	+ 38
Bank debits (thousands)	$ 9,417	— 8	.....
End-of-month deposits (thousands)‡	$ 9,693	— 6	.....
Annual rate of deposit turnover	11.3	.....	.....
LAREDO (pop. 60,678)			
Postal receipts*	$ 31,015	— 1	— 1
Building permits, less federal contracts	$ 176,250	+276	+302
Bank debits (thousands)	$ 30,176	+ 1	— 2
End-of-month deposits (thousands)‡	$ 21,114	+ 1	— 5
Annual rate of deposit turnover	17.3	+ 3	+ 4
LONGVIEW (pop. 40,050)			
Retail sales			
Lumber, building material, and hardware stores	+ 4†	— 2	— 9
Postal receipts*	$ 46,720	— 2	+ 10
Building permits, less federal contracts	$ 771,250	— 16	+ 17
Bank debits (thousands)	$ 43,919	+ 2	+ 5
End-of-month deposits (thousands)‡	$ 34,105	— 1	— 3
Annual rate of deposit turnover	15.3	+ 2	+ 9
Employment (area)	28,500	+ 1	+ 1
Manufacturing employment (area)	5,640	+ 1	+ 9
Percent unemployed (area)	4.3	+ 8	+ 3

City and item	May 1961	Percent change: May 1961 from Apr 1961	Percent change: May 1961 from May 1960
LLANO (pop. 2,656)			
Postal receipts* ..... $	2,358	+ 27	+ 13
Bank debits (thousands) ..... $	3,726	+ 37	+ 20
End-of-month deposits (thousands) ‡ ... $	3,742	+ 3	+ 3
Annual rate of deposit turnover	12.2	+ 37	+ 17
LOCKHART (pop. 6,084)			
Retail sales			
Apparel stores	+ 1†	+ 17	— 12
Automotive stores	+ 9†	+ 18	— 29
Postal receipts* ..... $	4,338	+ 23	+ 16
Building permits, less federal contracts $	18,150	+2320	+ 89
Bank debits (thousands) ..... $	3,895	— 5	— 3
End-of-month deposits (thousands) ‡ ... $	5,268	+ 3	+ 8
Annual rate of deposit turnover	9.0	— 5	— 8
LOS FRESNOS (pop. 1,289)			
Postal receipts* ..... $	703	— 20	— 35
Building permits, less federal contracts $	4,000	— 56	— 33
Bank debits (thousands) ..... $	1,282	— 8	+ 1
End-of-month deposits (thousands) ‡ ... $	1,349	+ 10	+ 20
Annual rate of deposit turnover	12.0	— 8	— 5
LOWER RIO GRANDE VALLEY (pop. 352,086) (Cameron, Willacy and Hidalgo Counties)			
Retail sales	+ 6†	+ 8	— 4
Apparel stores	+ 1†	+ 14	+ 9
Automotive stores	+ 9†	+ 7	— 11
Drug stores	+ 3†	+ 7	+ 9
Food stores	+ 3†	— 5	+ 3
Furniture and household appliance stores	+ 14†	+ 28	+ 7
Gasoline and service stations	+ 2†	— 1	+ 3
General merchandise stores	+ 6†	+ 19	— 18
Lumber, building material, and hardware stores	+ 4†	+ 14	+ 16
Postal receipts* ..... $	.....	+ 6	+ 6
Building permits, less federal contracts $	.....	+ 17	+ 29
Bank debits (thousands) ..... $	.....	+ 4	+ 8
End-of-month deposits (thousands) ‡ ... $	.....	+ 1	+ 7
Annual rate of deposit turnover	16.7	+ 5	+ 4
LUBBOCK (pop. 128,691)			
Retail sales	+ 6†	+ 6	— 23
Automotive stores	+ 9†	+ 1	— 29
Furniture and household appliance stores	+ 14†	— 2	+ 8
Postal receipts* ..... $	159,274	+ 1	+ 7
Building permits, less federal contracts $	3,588,251	+ 15	— 1
Bank debits (thousands) ..... $	177,725	+ 1	— 8
End-of-month deposits (thousands) ‡ ... $	111,493	**	+ 1
Annual rate of deposit turnover	19.1	+ 3	— 7
Employment (area)	50,200	**	— 7
Manufacturing employment (area)	5,600	**	+ 1
Percent unemployed (area)	4.5	— 4	+ 32
LUFKIN (pop. 17,641)			
Retail sales			
Automotive stores	+ 9†	+ 14	+ 5
Food stores	+ 3†	+ 1	+ 8
Postal receipts* ..... $	22,614	+ 33	+ 13
Building permits, less federal contracts $	158,264	— 82	+ 11
Bank debits (thousands) ..... $	23,911	+ 11	— 1
End-of-month deposits (thousands) ‡ ... $	25,119	+ 2	+ 3
Annual rate of deposit turnover	11.5	.....	— 5
McALLEN (pop. 32,728)			
Retail sales	+ 6†	+ 2	— 12
Automotive stores	+ 9†	— 12	— 25
Postal receipts* ..... $	28,439	+ 12	+ 15
Building permits, less federal contracts $	321,616	— 56	+ 81
Bank debits (thousands) ..... $	30,700	+ 5	+ 10
End-of-month deposits (thousands) ‡ ... $	20,870	— 3	+ 10
Annual rate of deposit turnover	17.3	+ 5	— 1

Homebuilding . . .

Progress of New Products

New products are faced with an age-old problem: they are being introduced faster than their acceptance by local, outdated building codes. Hopes are now at an all-time high that the current administration will wage a war on these local obsolete codes. The approach is to set a national standard that will be based on performance of the product rather than on specifications of the materials used in their manufacture. It is virtually impossible for a city to set up an organization to test and analyze all of the new building materials on the market. The performance test at a national level could be the long-awaited answer that many new and superior products have been looking for. A national organization (such as the National Bureau of Standards or the American Society for Testing Materials) could promulgate safety controls over such new products.

Advances made by aluminum products are far more widespread than any other group as an aggregate. This is partially due to the assistance from the major companies in helping break down the old local code barriers in many localities. Codes are being changed in accordance to the new performance test concept. In many cases, as products have gone into mass production, prices have dropped and the new product can undersell competing products of the same quality. Aluminum is rapidly pressing into all phases of homebuilding with aluminum siding, piping, window frames, and air ducts to mention a few.

Air conditioning and heating is another field in which much progress has been made in providing better products at a much lower cost. Packaged aid-conditioning units are a good example of this with the secret of success dependent on well designed air ducts. Since most new homes must

ESTIMATED VALUE OF BUILDING AUTHORIZED

Source: Bureau of Business Research in cooperation with the Bureau of the Census, U. S. Department of Commerce

Classification	May 1961 (thousands of dollars)	Jan-May 1961 (thousands of dollars)	Percent change: May 1961 from Apr 1961	Percent change: Jan-May 1961 from Jan-May 1960
ALL PERMITS	133,442	566,834	+ 28	+ 8
New construction	120,770	506,033	+ 30	+ 7
Residential (housekeeping) ..	63,955	283,891	+ 7	— 6
One-family dwellings	56,017	252,011	+ 6	— 11
Multiple-family dwellings ..	7,938	31,880	+ 16	+ 69
Nonresidential buildings	56,815	222,142	+ 72	+ 30
Nonhousekeeping buildings (residential)	399	6,655	— 72	+ 22
Amusement building	1,411	4,544	+1417	— 7
Churches	5,359	15,156	+ 34	— 14
Industrial buildings	2,469	11,797	— 2	— 10
Garages (commercial and private)	835	3,094	+166	+ 2
Service stations	1,017	3,838	+ 8	— 15
Hospitals and Institutions	3,057	25,435	+271	+269
Office-bank buildings	18,754	40,808	+399	+129
Works and utilities	4,075	14,940	+248	+ 49
Educational buildings	7,338	43,084	+ 84	+ 24
Stores and mercantile buildings	9,768	41,658	— 21	— 9
Other buildings and structures	1,267	6,402	+ 39	+ 53
Additions, alterations, and repairs	12,672	60,801	+ 13	+ 12

have central heating, the addition of packaged air-conditioning can be made using the same air ducts as the heating unit. However, the air ducts must be designed in airflow capacity for the air conditioning for best efficiency. The cost of central air conditioning to volume builders has been reduced to approximately $500 per unit and very little more for one-at-a-time builders. New homes have the greatest market for this product since financing can be spread over a 25-year period, installation is quick and cheap, and a new house needs air conditioning more due to the lack of surrounding trees. The cost of installing air conditioning into an existing home poses many complications and usually drives the cost upward considerably.

Electric heating is tending to become competitive with other fuels, but as yet is still more costly to operate than most conventional heating. The heat pump is a good example of progress in the electric heating industry with costs of the installed unit dropping from around $1,600 in 1953 to about $700 currently. Acceptance in the Southwest is noticeable for in 1959 Houston installed 744 units under special incentive rates granted by the Houston Power and Light Company. These special rates have been given in areas throughout the country to encourage the "all electric house." Electric heating from units installed at baseboard level are also becoming increasingly popular due to the air circulation advantages.

Electrostatic air cleaners are gaining acceptance with promotion of the "dustless" house, in which necessary dusting is reduced to a minimum. New plastic products are also moving into homebuilding as research finds more and more uses. One of the newest is the foamed polystyrene panel for component building costing an estimated $.46 per square foot of installed wall panel. Plastic pipe, still in its infancy, apparently has many advantages over materials now in existence.

Consumer Satisfaction

With the evolution in the homebuilding industry in Texas, the homebuilder must also change to meet new demands. The focal point must be the prospective buyer, his income and his interests for the current market is his choice, not the seller's. Those builders moving with the popular tide will be most successful. Market surveys and research cannot be neglected if the builder is to know where his product is to be sold. New and modern products must be used and support should be given to modernization of building codes so that better products might be used to give the buyer the best buy for his money. The downturn in building is partially the result of dissatisfaction on the part of a more discerning public with existing values in the market. New residential building should stress quality, and low-cost building need not imply low quality.

City and item	May 1961	Percent change: May 1961 from Apr 1961	Percent change: May 1961 from May 1960
McCAMEY (pop. 3,375)			
Postal receipts*	$ 3,141	+ 25	+ 25
Building permits, less federal contracts	$ 3,500	.....	— 56
Bank debits (thousands)	$ 1,901	+ 10	— 8
End-of-month deposits (thousands)‡	$ 1,980	— 6	+ 3
Annual rate of deposit turnover	11.2	+ 17	— 12
McKINNEY (pop. 13,763)			
Postal receipts*	$ 10,317	— 6	+ 2
Building permits, less federal contracts	$ 183,240	+610	+ 39
Bank debits (thousands)	$ 9,195	+ 5	+ 6
End-of-month deposits (thousands)‡	$ 8,626	+ 1	+ 27
Annual rate of deposit turnover	12.8	+ 7	+ 47
MARSHALL (pop. 23,846)			
Retail sales	+ 6†	+ 16	+ 3
Apparel stores	+ 1†	+ 6	— 6
Postal receipts*	$ 24,834	+ 1	+ 2
Building permits, less federal contracts	$ 350,681	+ 2	+153
Bank debits (thousands)	$ 17,161	+ 4	**
End-of-month deposits (thousands)‡	$ 21,972	+ 13	+ 10
Annual rate of deposit turnover	9.9	+ 2	— 6
MERCEDES (pop. 10,943)			
Postal receipts*	$ 4,550	— 1	+ 2
Building permits, less federal contracts	$ 91,419	+242	+609
Bank debits (thousands)	$ 7,568	+ 25	+ 39
End-of-month deposits (thousands)‡	$ 3,906	**	+ 8
Annual rate of deposit turnover	23.3	+ 27	+ 34
MESQUITE (pop. 27,526)			
Postal receipts*	$ 10,507	— 5	+ 24
Building permits, less federal contracts	$ 1,151,991	— 7	— 37
Bank debits (thousands)	$ 6,029	+ 19	+ 3
End-of-month deposits (thousands)‡	$ 4,511	**	— 23
Annual rate of deposit turnover	16.0	+ 14	+ 21
Employment (area)	555,400	+ 1	+ 2
Manufacturing employment (area)	97,575	+ 1	+ 4
Percent unemployed (area)	4.5	— 6	+ 41
MEXIA (pop. 6,121)			
Building permits, less federal contracts	$ 8,000	— 29	.....
Bank debits (thousands)	$ 3,892	+ 9	+ 15
End-of-month deposits (thousands)‡	$ 4,568	+ 6	+ 4
Annual rate of deposit turnover	10.5	+ 7	+ 14
MIDLAND (pop. 62,625)			
Retail sales			
Drug stores	+ 3†	+ 12	+ 16
Postal receipts*	$ 92,804	+ 31	+ 13
Building permits, less federal contracts	$ 1,342,835	+ 20	— 6
Bank debits (thousands)	$ 125,388	.....	+ 21
End-of-month deposits (thousands)‡	$ 107,275	.....	+ 24
Employment (area)	53,900	+ 2	.....
Manufacturing employment (area)	2,310	**	.....
Percent unemployed (area)	3.7	— 10	.....
MIDLOTHIAN (pop. 1,521)			
Building permits, less federal contracts	$ 7,050	— 68	— 83
Bank debits (thousands)	$ 1,067	+ 7	+ 10
End-of-month deposits (thousands)‡	$ 1,447	— 3	— 4
Annual rate of deposit turnover	8.7	+ 7	+ 13
MINERAL WELLS (pop. 11,053)			
Retail sales	+ 6†	+ 23	+ 4
Automotive stores	+ 9†	+ 38	+ 7
Building permits, less federal contracts	$ 576,300	+533	+1138
MISSION (pop. 14,081)			
Postal receipts*	$ 7,687	+ 14	— 9
Building permits, less federal contracts	$ 23,700	— 80	— 87
Bank debits (thousands)	$ 12,482	+ 10	+ 6
End-of-month deposits (thousands)‡	$ 9,250	+ 6	— 7
Annual rate of deposit turnover	16.7	+ 8	+ 27

City and item	May 1961	Percent change: May 1961 from Apr 1961	Percent change: May 1961 from May 1960
MONAHANS (pop. 8,567)			
Postal receipts* ..... $	7,737	— 1	+ 7
Building permits, less federal contracts $	148,825	+761	+149
Bank debits (thousands) ..... $	10,451	+ 17	+ 11
End-of-month deposits (thousands)‡ .... $	7,374	— 4	**
Annual rate of deposit turnover	16.6	+ 19	+ 9
MOUNT PLEASANT (pop. 8,027)			
Building permits, less federal contracts $	61,270	+ 89	+ 2
Bank debits (thousands) ..... $	9,002	+ 11	+ 10
End-of-month deposits (thousands)‡ .... $	6,727	— 24	— 23
Annual rate of deposit turnover	13.9	+ 25	+ 22
MUENSTER (pop. 1,190)			
Postal receipts* ..... $	1,202	— 9	+ 31
Building permits, less federal contracts $	27,400	+3325	.....
Bank debits (thousands) ..... $	1,801	— 6	— 9
End-of-month deposits (thousands)‡ .... $	1,718	+ 3	— 2
Annual rate of deposit turnover	12.8	— 7	— 6
NACOGDOCHES (pop. 12,674)			
Retail sales			
Apparel stores	+ 1†	— 16	— 5
Postal receipts* ..... $	13,213	— 11	— 6
Building permits, less federal contracts $	536,825	+846	+912
Bank debits (thousands) ..... $	15,113	+ 2	+ 8
End-of-month deposits (thousands)‡ .... $	15,007	+ 1	+ 11
Annual rate of deposit turnover	12.2	+ 2	— 1
NEW BRAUNFELS (pop. 15,631)			
Retail sales			
Automotive stores	+ 9†	+ 23	— 5
Postal receipts* ..... $	17,584	— 5	+ 14
Building permits, less federal contracts $	231,935	— 51	+ 55
Bank debits (thousands) ..... $	11,451	+ 3	+ 32
End-of-month deposits (thousands)‡ .. $	10,745	+ 3	**
Annual rate of deposit turnover	13.0	+ 1	+ 34
ODESSA (pop. 80,338)			
Retail sales			
Furniture and household appliance stores	+ 14†	+ 17	— 8
Postal receipts* ..... $	70,103	+ 9	— 1
Building permits, less federal contracts $	817,799	— 33	— 52
Bank debits (thousands) ..... $	78,262	.....	+ 4
End-of-month deposits (thousands)‡ .. $	62,966	.....	+ 5
Employment (area)	53,900	+ 2	.....
Manufacturing employment (area) ..	2,310	**	.....
Percent unemployed (area)	3.7	— 10	.....
ORANGE (pop. 25,605)			
Retail sales			
Apparel stores	+ 1†	**	+ 1
Postal receipts* ..... $	22,398	— 3	+ 2
Building permits, less federal contracts $	210,984	— 31	— 69
Bank debits (thousands) ..... $	27,269	+ 4	+ 8
End-of-month deposits (thousands)‡ $	21,652	— 1	+ 8
Annual rate of deposit turnover	15.0	+ 5	**
Employment (area)	107,700	**	+ 2
Manufacturing employment (area) ..	34,220	+ 1	+ 1
Percent unemployed (area)	8.0	**	+ 18
PAMPA (pop. 24,664)			
Retail sales	+ 6†	+ 17	— 4
Automotive stores	+ 9†	+ 49	+ 13
Eating and drinking places	+ 5†	+ 7	— 13
Food stores	+ 3†	+ 7	— 2
Lumber, building material, and hardware stores	+ 4†	+ 8	— 18
Postal receipts* ..... $	21,656	— 1	— 9
Building permits, less federal contracts $	221,878	+ 3	— 48
Bank debits (thousands) ..... $	23,908	+ 6	+ 11
End-of-month deposits (thousands)‡ .. $	21,753	— 1	— 5
Annual rate of deposit turnover	13.1	+ 6	+ 16

TEXAS AGRICULTURE'S LEGISLATIVE YIELD

By JAMES D. GORDON

The time has passed when a farmer or rancher could remain oblivious to the activities of the state legislature. First, legislation pertaining to agriculture is progressively assuming a greater scope so that at present virtually no participant in agriculture—owner, laborer, or marketer—is exempt from the decisions made at the capitol.

Second is the inevitable fact that rural representation in the legislature has not maintained its former predominance. This is a natural reflection of the continuing urbanization of Texas and the consequences thereof. A manifestation of the diminishing rural population was the enactment during the last session of House Bill 349 which reapportioned the state into representative districts. The advocates of this measure testified that urban representation in the House has consistently lagged behind its proportional share. The amended bill provided Harris County four new representatives, Dallas two, one each for Travis, El Paso, Taylor, Lubbock and Amarillo, and one-half each for Nueces, Hidalgo, Ector, and Midland counties. The net effect was the transfer of 13 House votes from rural to urban areas. This adjustment constitutes a substantial loss, taking from primarily pro-agricultural forces while supplementing its opposition.

As a consequence of these two transitions, farmers and ranchers may no longer rest assured that their interests will necessarily be perpetuated by the state legislature. Though it would be inaccurate to surmise that adequate support in the House has been lost, the future will present an abundance of previously unencountered obstacles insofar as the promotion of farm interests is concerned.

Though agricultural representation seems somewhat more secure in the Senate, it is the consensus of most farm proponents that even in this rural stronghold intensified defensive efforts will be required in the following sessions. Emphasis is turning toward the obstruction of legislation contrary to agricultural interests rather than toward initiation or support of favorable enactments.

In the face of the foregoing, agriculture fared surprisingly well with regard to the results of the stormy 57th session concluded May 29. It was by no means a clean sweep, but farm forces exemplified their persistence and tenacity in several crucial showdowns, even in opposition to the Governor. The Texas Farm Bureau, the state's most active agricultural lobby, assessed its achievements as follows: bills supported and passed, 20; bills opposed and defeated, 20; bills supported and defeated, 17; bills opposed and passed, 3. The more pertinent of these are discussed in the following.

Dairy

SB 217 (Passed and signed) One of the controversial bills introduced in this area, SB 217 requires that out-of-state milk shipped into Texas meet the same sanitation requirements as domestically produced milk. The State Department of Health is granted the authority to approve

out-of-state areas for the importation of milk. However, the bill's adversaries succeeded in an amendment which allows the certification to be performed by approved inspectors from the state in which the milk is produced. The Health Department retains the right to execute spotchecks to assure the credibility of the various inspectors. Finally, the latitude of the bill now extends to include Grade A pasteurized milk as well as Grade A raw milk. Though Texas imports only 5% of its milk, SB 217 was the object of considerable agitation and passed only after four versions were written.

In the House a companion measure was introduced (HB 61) but was sacrified to its Senate counterpart after a stormy reception.

HB 108 (Defeated) The intention of this bill was to make mandatory the labeling of butterfat content on all milk and cream sold in Texas. Narrowly defeating a recommitment motion, HB 108 was tagged with six amendments. Five of these were accepted by the author, while the sixth rendered the bill void of its original purpose by eliminating having to print on each unit retailed the percent of butterfat contained. Critics of the bill protested that labeling individual containers would require excessive handling and expense.

Transportation

HB 1082 (Passed and signed) Perhaps the most significant achievement of the agricultural efforts was the eventual passage of this trailer bill. Provisions were incorporated to exempt farm trailers and semitrailers as well as cotton gin trailers from registration and brake requirements up to a gross weight of 10,000 lbs. when not used for hire. A speed limit of 30 mph was imposed on trailers weighing from 4,000 to 10,000 lbs. and a $5 annual license fee on trailers of this size is required. Advocates noted that such vehicles spend little time on public roads and, when used on highways are relatively safe as indicated by the experience of insurance companies. Moreover, installing brakes would be a significant financial burden for many farmers.

The substance of this bill was originally contained in HB 59. It differed from the final enactment in that it exempted farm trailers up to 12,000 lbs. and avoided restrictions on speed. After passing both House and Senate, HB 59 was vetoed by Governor Daniel. This precipitated the introduction of HB 1948 to which the Governor consented. Enactment of this bill is hailed by its proponents as a substantial victory for farmers and ranchers.

HB 562 (Defeated) Considerable efforts were made to reduce the Texas farm-to-market road allocations as exemplified by this proposal. HB 562 would have restricted the money available for new construction, improvement, and maintenance to a total of $32.3 million, a 50% cut. A strong stand by agriculture forces was responsible for the defeat of the bill. However, many of those concerned expect that the question of farm-to-market road funds will arise in the Special Session to start on July 10.

SB 394 (Passed and signed) An amendment to the Motor Carrier Act, permission was granted to specialized motor carriers ("Bull Haulers") to transport agricultural products in their natural state. Previously bull haulers were required to limit the services of their vehicles to carrying

City and item	May 1961	Percent change: May 1961 from Apr 1961	Percent change: May 1961 from May 1960
PALESTINE (pop. 13,974)			
Postal receipts* ..... $	10,640	— 19	— 6
Building permits, less federal contracts $	167,746	+ 20	+137
Bank debits (thousands) ..... $	11,258	+ 1	+ 17
End-of-month deposits (thousands)‡ .$	14,002	— 1	+ 2
Annual rate of deposit turnover	9.6	+ 3	+ 14
PARIS (pop. 20,977)			
Retail sales	+ 6†	+ 16	+ 4
Apparel stores	+ 1†	+ 6	+ 18
Automotive stores	+ 9†	+ 12	— 5
Food stores	+ 3†	+ 4	+ 6
Lumber, building material, and hardware stores	+ 4†	+ 40	+ 38
Postal receipts* ..... $	16,615	— 2	+ 3
Building permits, less federal contracts $	327,474	— 16	+140
Bank debits (thousands) ..... $	15,251	+ 1	+ 2
End-of-month deposits (thousands)‡ .$	15,944	+ 5	+ 28
Annual rate of deposit turnover	11.7	— 2	— 18
PASADENA (pop. 58,737)			
Postal receipts* ..... $	32,685	— 2	— 12
Building permits, less federal contracts $	1,029,795	— 36	+ 57
Bank debits (thousands) ..... $	33,324	**	— 7
End-of-month deposits (thousands)‡ .$	20,542	— 5	— 6
Annual rate of deposit turnover	19.0	+ 10	— 3
Employment (area)	512,800	**	+ 2
Manufacturing employment (area) ..	93,950	+ 1	— 1
Percent unemployed (area)	4.5	— 4	+ 10
PHARR (pop. 14,106)			
Postal receipts* ..... $	5,489	— 2	+ 4
Building permits, less federal contracts $	39,099	— 72	— 60
Bank debits (thousands) ..... $	4,073	— 4	— 10
End-of-month deposits (thousands)‡ .$	4,345	+ 5	+ 28
Annual rate of deposit turnover	11.5	— 2	— 19
PLAINVIEW (pop. 18,735)			
Retail sales			
Apparel stores	+ 1†	+ 28	+ 12
Automotive stores	+ 9†	— 2	— 9
Postal receipts* ..... $	18,356	+ 3	+ 4
Building permits, less federal contracts $	143,800	— 74	— 32
Bank debits (thousands) ..... $	28,084	+ 3	— 2
End-of-month deposits (thousands)‡ .$	23,178	— 4	+ 1
Annual rate of deposit turnover	14.2	+ 8	— 1
PLANO (pop. 3,695)			
Bank debits (thousands) ..... $	2,192	+ 30	+ 30
End-of-month deposits (thousands)‡ .$	1,853	— 3	+ 4
Annual rate of deposit turnover	13.9	+ 29	+ 24
PORT ARTHUR (pop. 66,676)			
Retail sales	+ 6†	+ 15	+ 2
Food stores	+ 3†	**	+ 7
Furniture and household appliance stores	+ 14†	+ 10	— 7
Lumber, building material, and hardware stores	+ 4†	+ 23	+ 4
Postal receipts* ..... $	55,360	+ 8	+ 13
Building permits, less federal contracts $	559,763	+ 48	— 14
Bank debits (thousands) ..... $	66,490	+ 7	+ 7
End-of-month deposits (thousands) ‡ $	42,897	+ 2	**
Annual rate of deposit turnover	18.8	+ 5	+ 6
Employment (area)	107,700	**	+ 2
Manufacturing employment (area) ..	34,220	+ 1	+ 1
Percent unemployed (area)	8.0	**	+ 18
PORT ISABEL (pop. 3,575)			
Postal receipts* ..... $	1,887	+ 14	+ 7
Building permits, less federal contracts $	4,648	— 76	— 38
Bank debits (thousands) ..... $	603	+ 3	.....
End-ofmonth deposits (thousands)‡ .$	569	+ 4	.....
Annual rate of deposit turnover	13.0	+ 4	.....

City and item	May 1961	Percent change: May 1961 from Apr 1961	Percent change: May 1961 from May 1960
PORT NECHES (pop. 8,696)			
Postal receipts*	$ 6,545	+ 4	— 2
Building permits, less federal contracts	$ 284,450	+363	.....
Bank debits (thousands)	$ 10,179	— 1	+ 26
End-ofmonth deposits (thousands)‡	$ 9,246	— 1	+ 27
Annual rate of deposit turnover	13.1	— 4	+ 1
RAYMONDVILLE (pop. 9,385)			
Retail sales			
Lumber, building material, and hardware stores	+ 4†	+ 59	+ 6
Postal receipts*	$ 6,116	+ 6	— 7
Building permits, less federal contracts	$ 88,100	+ 62	+142
Bank debits (thousands)	$ 7,038	+ 28	+ 8
End-of-month deposits (thousands)‡	$ 7,352	+ 9	+ 4
Annual rate of deposit turnover	12.0	+ 26	+ 10
ROCKDALE (pop. 4,481)			
Postal receipts*	$ 4,265	+ 3	+ 13
Building permits, less federal contracts	$ 7,500	+ 33	— 24
Bank debits (thousands)	$ 3,907	+ 12	— 1
End-of-month deposits (thousands)‡	$ 5,500	**	+ 3
Annual rate of deposit turnover	8.5	+ 13	— 3
SAN ANGELO (pop. 58,815)			
Retail sales	+ 6†	+ 18	+ 6
Postal receipts*	$ 65,533	— 2	— 2
Building permits, less federal contracts	$ 554,743	— 9	— 1
Bank debits (thousands)	$ 59,058	+ 24	+ 9
End-of-month deposits (thousands)‡	$ 47,768	+ 4	+ 6
Annual rate of deposit turnover	15.1	+ 22	+ 1
Employment (area)	19,950	+ 1	— 15
Manufacturing employment (area)	3,040	+ 1	— 6
Percent unemployed (area)	5.3	— 10	— 9
SAN JUAN (pop. 4,371)			
Postal receipts*	$ 2,259	+ 7	+ 19
Building permits, less federal contracts	$ 3,000	.....	.....
Bank debits (thousands)	$ 1,665	— 10	+ 3
End-of-month deposits (thousands)‡	$ 2,113	+ 6	+ 15
Annual rate of deposit turnover	9.7	— 14	— 17
SAN MARCOS (pop. 12,713)			
Postal receipts*	$ 9,204	+ 4	— 3
Building permits, less federal contracts	$ 46,752	.....	.....
Bank debits (thousands)	$ 6,492	+ 1	**
End-of-month deposits (thousands)‡	$ 8,005	+ 3	+ 4
Annual rate of deposit turnover	9.9	+ 1	— 2
SAN SABA (pop. 2,728)			
Postal receipts*	$ 2,912	+ 13	+ 31
Bank debits (thousands)	$ 4,323	+ 7	— 13
End-of-month deposits (thousands)‡	$ 4,479	+ 4	+ 4
Annual rate of deposit turnover	11.8	+ 6	— 14
SAN ANTONIO (pop. 587,718)			
Retail sales	+ 6†	+ 11	+ 2
Apparel stores	— 6†	+ 11	+ 2
Automotive stores	+ 14†	+ 17	+ 6
Drug stores	+ 4†	+ 7	+ 1
Eating and drinking places	+ 2†	+ 3	**
Food stores	+ 1†	+ 8	+ 1
Furniture and household appliance stores	+ 22†	+ 17	+ 3
Gasoline and service stations	+ 6†	+ 9	+ 5
General merchandise stores	+ 14†	+ 11	— 4
Jewelry stores	.....	+ 67	+ 5
Lumber, building material, and hardware stores	+ 1†	**	+ 6
Postal receipts*	$ 658,313	— 3	+ 2
Building permits, less federal contracts	$ 5,228,995	+ 56	+ 6
Bank debits (thousands)	$ 668,687	+ 10	+ 9
End-of-month deposits (thousands)‡	$ 376,570	**	+ 3
Annual rate of deposit turnover	21.2	+ 10	+ 6
Employment (area)	205,000	**	+ 1
Manufacturing employment (area)	24,825	+ 1	— 2
Percent unemployed (area)	5.1	+ 2	+ 31

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livestock. Hence, they were prohibited from participating in grain, vegetable, or cotton, regardless of the demand upon carriers.

HB 129 (Passed and signed) The intention of this enactment is the simplification of procedures for claiming refunds of taxes on nonhighway-use gasoline. This is accomplished by: (1) extending the time for claiming refunds of taxes to one year (previously six months), (2) removing notary requirement, and (3) simplifying the report. This will be a welcomed relief to farmers already overburdened with governmental forms.

RAIL SHIPMENTS OF FRUIT AND VEGETABLES
(in carloads)

Source: Compiled from reports received from Agricultural Marketing Service, U. S. Department of Agriculture.

Item	Jan-May 1961 (in carloads)	Jan-May 1960 (in carloads)	Percent change
TOTAL SHIPMENTS	17,518	20,810	— 16
VEGETABLES	15,184	19,534	— 22
Beans	0	1	—100
Beets	27	38	— 29
Broccoli	88	101	— 13
Cabbage	1,530	2,802	— 45
Carrots	2,740	4,535	— 40
Cauliflower	292	281	+ 4
Celery	6	8	— 25
Corn	234	158	+ 48
Cucumbers	24	30	— 20
Endives and escaroles	20	6	+233
Greens	96	121	— 21
Lettuce	459	1,446	— 68
Mixed vegetables	4,406	5,218	— 16
Onions	3,010	3,332	— 10
Peppers	51	34	+ 50
Potatoes	130	87	+251
Spinach	777	1,108	— 30
Sweet potatoes	0	2	—100
Tomatoes	1,286	265	+385
Turnips and rutabagas	8	11	— 27
FRUIT	2,334	1,276	+ 83
Canteloupes	299	12	+2392
Grapefruit	1,064	733	+ 45
Honeydews	146	0	.....
Mixed citrus	641	457	+ 40
Mixed Deciduous	2	0	.....
Oranges	118	48	+146
Plums and prunes	13	16	— 19
Strawberries	16	9	+ 78
Tangerines	7	1	+600
Watermelons	28	0	.....

Animal Health

SB 196 (Passed and signed) Considered crucial by many cattlemen was this enactment making it illegal to transport undipped livestock into Texas from another state or country infested with fever ticks. Similarly, animals being transferred from a region beset with screwworms to a noninfested area are required to submit to the precautions deemed necessary. Though not explicit in the bill itself, SB 196 provides a further means for Texas to control the illegal importation of any livestock.

SB 276 (Passed and signed) Correlated in purpose with SB 196, this bill amends existing laws regarding interstate movement of livestock. In essence it makes compulsory the

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obtaining of health certificates for stocker and range cattle entering the state. An amendment was adopted which exempts sprayed heifers and steers from brucellosis tests.

Farm Labor

HB 319 (Defeated) Stimulating the concern of most farm and ranch owners, HB 319 proposed the establishment of an all-inclusive 75¢ minimum wage rate. Enactment of this legislation would have required the maintenance of detailed records by the employer. Also imposed would have been a penalty for violation of from $25 to $2,000 and/or 6 months in jail. The bill provided exemption only for individuals employed by their parents, services donated to charitable or public institutions and services rendered by a salesman paid solely on a commission basis. Adversaries from the farm sector argued that it would be virtually impossible to calculate rates for laborers paid on an incentive basis (by pounds, bunches, bales, etc.) Moreover they pointed out that farm laborers are frequently the recipients of shelter, a portion of production, or numerous other items not convertible into hourly rates.

HB 203 (Defeated) An attempt to change the child labor laws, the bill would have prohibited any child 16 years of age or under from working during school hours. The current age limit is 12 years. An exception was granted for the children of farmers, ranchers, and dairymen for work on family farms or ranches.

HB 500 (Defeated) The provisions of this bill proposed the licensing of migrant crew leaders when hauling five or more migrant laborers. Exempted were farmers and ranchers hauling their own workers as well as family crews. Opposition feared the enactment of HB 500 would have facilitated the unionization of migrant workers and result in increased labor costs.

SB 396 (Defeated) Another measure introduced for the protection of migrant labor, SB 396 provided that the State Department of Health adopt rules and regulations pertaining to the inspection of migrant housing facilities. It would have established an inspection fee of $10 for 19 or less units

RAIL SHIPMENTS OF LIVESTOCK*

Source: Bureau of Business Research in cooperation with the Agricultural Marketing Service, U.S. Department of Agriculture

Classification	May 1961	Apr 1961	May 1960	Percent change: May 1961 from Apr 1961	Percent change: May 1961 from May 1960
	(in carloads)				
TOTAL	4,509	5,913	5,644	— 10	— 20
Cattle	3,232	4,039	4,113	— 20	— 21
Calves	281	547	320	— 49	— 12
Sheep	991	427	1,211	+132	— 18
Interstate	4,323	4,677	3,076	— 8	+ 41
Cattle	3,075	3,814	2,561	— 19	+ 20
Calves	256	436	153	— 41	+ 67
Sheep	987	427	362	+131	+173
Intrastate	186	336	353	— 45	— 47
Cattle	157	225	322	— 30	— 51
Calves	25	111	30	— 77	— 17
Sheep	4	0	1	.....	+300

* Rail-car basis: cattle, 30 head per car; calves, 60; hogs, 80; and sheep, 250.

City and item	May 1961	Percent change: May 1961 from Apr 1961	Percent change: May 1961 from May 1960
SEAGOVILLE (pop. 3,745)			
Postal receipts* ..... $	2,674	+ 36	+ 1
Building permits, less federal contracts $	118,700	+237	+440
Bank debits (thousands) ..... $	2,030	+ 20	+ 5
End-of-month deposits (thousands)‡ ... $	1,163	— 2	— 5
Annual rate of deposit turnover	20.8	+ 21	+ 10
SEGUIN (pop. 14,299)			
Postal receipts* ..... $	10,681	+ 8	— 7
Building permits, less federal contracts $	161,605	+ 84	+518
Bank debits (thousands) ..... $	10,818	+ 17	+ 21
End-of-month deposits (thousands)‡ ... $	13,622	+ 1	**
Annual rate of deposit turnover	9.6	+ 17	+ 20
SHERMAN (pop. 24,988)			
Retail sales	+ 6†	+ 6	+ 1
Apparel stores	+ 1†	— 6	— 8
Automotive stores	+ 9†	+ 6	+ 9
Furniture and household appliance stores	+ 14†	— 14	— 21
General merchandise stores	+ 6†	+ 23	+ 12
Postal receipts* ..... $	27,812	+ 6	— 1
Building permits, less federal contracts $	218,495	— 57	— 23
Bank debits (thousands) ..... $	25,612	+ 5	+ 6
End-of-month deposits (thousands)‡ ... $	18,048	— 1	+ 7
Annual rate of deposit turnover	16.9	+ 6	+ 2
SILSBEE (pop. 6,277)			
Building permits, less federal contracts $	23,260	— 47	.....
Bank debits (thousands) ..... $	3,649	+ 4	— 3
End-of-month deposits (thousands)‡ ... $	4,619	+ 4	— 6
Annual rate of deposit turnover	9.5	+ 4	+ 2
SINTON (pop. 6,008)			
Postal receipts* ..... $	4,919	+ 10	+ 9
Building permits, less federal contracts $	89,210	+295	+ 60
Bank debits (thousands) ..... $	4,682	+ 7	+ 2
End-of-month deposits (thousands)‡ ... $	5,074	— 2	— 9
Annual rate of deposit turnover	10.9	+ 15	+ 14
SLATON (pop. 6,568)			
Postal receipts* ..... $	5,315	+ 75	+ 54
Building permits, less federal contracts $	58,560	+ 74	+ 6
Bank debits (thousands) ..... $	2,923	— 4	— 5
End-of-month deposits (thousands)‡ ... $	3,729	— 4	— 5
Annual rate of deposit turnover	9.2	**	+ 5
Employment (area)	50,200	**	— 7
Manufacturing employment (area) ..	5,600	**	+ 1
Percent unemployed (area)	4.5	— 4	+ 32
SULPHUR SPRINGS (pop. 9,160)			
Postal receipts* ..... $	9,288	+ 29	+ 10
Building permits, less federal contracts $	183,700	+150	+205
Bank debits (thousands) ..... $	9,756	+ 4	+ 8
End-of-month deposits (thousands)‡ ... $	12,365	+ 1	+ 3
Annual rate of deposit turnover	9.5	+ 3	+ 4
SWEETWATER (pop. 13,914)			
Retail sales			
Automotive stores	+ 9	+ 25	— 21
Postal receipts* ..... $	11,104	+ 10	— 20
Building permits, less federal contracts $	116,300	+147	— 17
Bank debits (thousands) ..... $	9,977	+ 7	— 7
End-of-month deposits (thousands)‡ .. $	10,275	**	**
Annual rate of deposit turnover	11.6	+ 6	— 7
SMITHVILLE (pop. 2,933)			
Postal receipts* ..... $	1,890	+ 15	**
Building permits, less federal contracts $	10,761	+5281	— 85
Bank debits (thousands) ..... $	1,123	**	— 9
End-of-month deposits (thousands)‡ ... $	2,198	+ 3	— 2
Annual rate of deposit turnover	6.2	**	— 5

City and item	May 1961	Percent change: May 1961 from Apr 1961	Percent change: May 1961 from May 1960
SNYDER (pop. 13,850)			
Postal receipts*	$ 12,288	+ 25	+ 33
Building permits, less federal contracts	$ 66,826	+ 24	— 62
Bank debits (thousands)	$ 12,513	**	— 10
End-of-month deposits (thousands)‡	$ 12,421	— 3	— 30
Annual rate of deposit turnover	11.9	+ 16	+ 28
TAYLOR (pop. 9,434)			
Retail sales			
Automotive stores	+ 9†	+ 22	— 5
Postal receipts*	$ 7,428	+ 10	+ 2
Building permits, less federal contracts	$ 40,695	+ 35	— 34
Bank debits (thousands)	$ 6,651	+ 2	— 9
End-of-month deposits (thousands)‡	$ 11,871	**	— 12
Annual rate of deposit turnover	6.7	+ 3	— 1
TEMPLE (pop. 30,419)			
Retail sales	+ 6†	+ 7	+ 2
Apparel stores	+ 1†	— 4	+ 5
Furniture and household appliance stores	+ 14†	+ 39	— 2
Lumber, building material, and hardware stores	+ 4†	+ 10	+ 4
Postal receipts*	$ 35,162	+ 3	+ 2
Building permits, less federal contracts	$ 597,285	+ 48	+127
Bank debits (thousands)	$ 24,096	+ 9	+ 10
TERRELL (pop. 13,803)			
Postal receipts*	$ 6,698	+ 16	+ 6
Building permits, less federal contracts	$ 60,000	— 82	— 71
Bank debits (thousands)	$ 6,099	— 2	— 20
End-of-month deposits (thousands)‡	$ 6,987	+ 7	— 1
Annual rate of deposit turnover	10.8	— 4	— 15
TEXARKANA, TEX. (pop. 30,218)			
Retail sales	+ 6†	+ 8	— 8
Apparel stores	+ 1†	— 2	+ 7
Automotive stores	+ 9†	— 9	— 21
Furniture and household appliance stores	+ 14†	+ 34	+ 9
Postal receipts*	$ 51,307	+ 7	**
Building permits, less federal contracts	$ 119,932	— 14	+ 18
Bank debits (thousands)	$ 51,348	+ 5	— 3
End-of-month deposits (thousands)‡	$ 16,827	— 2	+ 3
Annual rate of deposit turnover	15.8	+ 7	— 5
Employment (area)	28,700	**	— 2
Manufacturing employment (area)	3,880	+ 3	**
Percent unemployed (area)	7.1	— 8	+ 3
TOMBALL (pop. 1,713)			
Bank debits (thousands)	$ 7,100	+ 15	— 6
End-of-month deposits (thousands)‡	$ 4,991	— 18	— 29
Annual rate of deposit turnover	15.3	+ 31	+ 14
TEXAS CITY (pop. 32,065)			
Retail sales			
Lumber, building material, and hardware stores	+ 4†	+ 26	+ 23
Postal receipts*	$ 19,218	+ 4	— 7
Building permits, less federal contracts	$ 248,493	+ 32	— 38
Bank debits (thousands)	$ 22,554	+ 13	+ 2
End-of-month deposits (thousands)‡	$ 13,077	+ 7	+ 19
Annual rate of deposit turnover	21.4	+ 9	— 10
Employment (area)	53,000	**	+ 6
Manufacturing employment (area)	10,690	**	— 1
Percent unemployed (area)	7.5	+ 7	+ 23
TYLER (pop. 51,230)			
Retail sales	+ 6†	+ 19	+ 3
Automotive stores	+ 9†	+ 23	+ 3
Florists	.....	+ 6	— 24
Postal receipts*	$ 90,071	— 3	— 1
Building permits, less federal contracts	$ 1,107,340	+ 24	+ 42
Bank debits (thousands)	$ 93,649	+ 17	+ 6
End-of-month deposits (thousands)‡	$ 59,704	— 3	+ 3
Annual rate of deposit turnover	18.5	+ 17	+ 2

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and $20 for 20 or more (living quarters for five or less workers exempt).

HB 113 (Defeated) This bill advocates prerequisites for the transport of migrant farm workers in the state. Requirements would have included that the driver be at least 21 years of age, physically fit, and that no one person drive more than 10 hours or 600 miles a day. The bill would have required the vehicle be equipped with seats, top, ladders for entry, etc. Excluded were vehicles carrying less than 2 workers, traveling less than 50 miles, or vehicles classified as passenger cars or station wagons.

INDEXES OF PRICES RECEIVED BY FARMERS
(1910–1914 = 100)
Source: Bureau of Agricultural Economics, U.S. Department of Agriculture.

Index	May 1961	Apr 1961	May 1960	Percent change: May 1961 from Apr 1961	Percent change: May 1961 from May 1960
ALL FARM PRODUCTS	248	252	243	— 2	+ 2
ALL CROPS	229	224	214	+ 2	+ 7
Food grains	204	212	214	— 4	— 5
Feed grain & hay	119	117	122	+ 2	— 2
Potatoes & sweet potatoes	240	253	222	— 5	+ 8
Fruit	181	177	220	+ 2	— 18
Truck crops	308	240	235	+ 28	+ 31
Cotton	252	248	231	+ 2	+ 9
Oil-bearing crops	233	233	215	**	+ 8
LIVESTOCK & PRODUCTS	280	297	290	— 6	— 3
Meat animals	351	379	365	— 7	— 4
Dairy products	254	264	253	— 4	**
Poultry & eggs	164	170	177	— 4	— 7
Wool	298	294	299	+ 1	**

** Change is less than one-half of one percent.

Water

HB 8 (Passed and signed) Significant was this measure empowering the State Board of Water Engineers to lend up to $15 million on individual water development projects in lieu of the present maximum of $5 million or ⅓ of project cost.

SB 444 (Passed and signed) The enactment of this bill authorizes the Board of Water Engineers to make studies of water-bearing formations and sources of underground water.

SB 72 (Passed and signed) This measure requires that permits be secured prior to the drilling of an injection well or before using an existing injection well for the disposal of municipal or industrial waste.

HB 130 (Defeated) The amended bill would have created a State Water Pollution Board authorized to promulgate regulations pertaining to pollution of underground as well as surface water. The Board's membership was to be composed of representatives from industry, agriculture, urban areas, and various state agencies.

HB 409 (Passed and signed) Required by this enactment is the licensing of water well drillers, exempting persons doing their own drilling. A Well Drillers Advisory Board is to be created and an annual license fee of $25 imposed.

Labeling and Inspecting

SB 21 (Passed and signed) A revision of older fertilizer laws, SB 21 designates the Texas A & M Board of Directors

Agriculture . . .

as the administrative authority to enforce compliance with rewritten labeling and inspection laws.

HB 265 (Passed and signed) In an attempt to provide funds for more effective enforcement, this bill levies annual fees for testing and checking measuring and weighing devices. The fee ranges from 50¢ to $25 depending upon the size of the instrument.

SB 164 (Passed and signed) An amendment to existing egg laws, provision is hereby made for increased license fees for egg dealers, wholesalers, processors, and brokers.

SB 400 (Passed and signed) This measure makes mandatory the correct labeling of rose bushes sold in Texas. The State Commissioner of Agriculture is granted the administrative responsibility.

SB 121 (Passed and signed) Increasing the membership of the State Seed and Plant Board, SB 121 allocates the additional position to a farmer. Previously, no farmer had held board membership.

Miscellaneous

SB 353 (Defeated) The enactment of SB 353 would have made it unlawful for an owner to permit his livestock to run loose on either public or private property not controlled by him. Violators would incur a penalty up to $200 a day a head.

HB 5 (Defeated) A provision of HB 5 would have prohibited livestock branding, ear-tagging, ear notching, etc. Maximum penalties for violation was set at $1,000.

HB 3 (Defeated) This bill would have restricted the extent to which cities are entitled to annex adjoining property. No more than 10% of a city's size could have been annexed during any one year, and disannexation proceedings could have been required if a city failed to provide services within a five year period.

SB 7 (Defeated) Precipitating extensive debate was this attempt to reaffirm the rights of REA to continue furnishing services to customers in areas subject to annexation. Though numerous substitutes and amendments were introduced, none of them was successful.

Special Session Problems

The special session, which convenes for thirty days on July 10, could well result in the passage of legislation crucial to the interest of the state's agricultural constituency. Attempts will undoubtedly be made to reduce the funds available for farm-to-market road programs. The dependence of farmers and ranchers upon these facilities is considerable and an intensified effort will attempt to deter any diversion of such funds.

A further matter of concern to farm interests arises from the growing support for revenue measures which would include taxes on farm machinery, feed, seed, fertilizers, livestock sales, and other items utilized in farm production.

In brief, today's farmers and ranchers are discovering that virtually every phase of their operations has or is on the verge of becoming subject to the active scrutinization of the state legislature. Though agricultural interest has in the past been directed principally toward the actions of the federal government, it is becoming increasingly apparent that those engaged in the production and marketing of agricultural goods must be cognizant of state legislative activities as well.

City and item		May 1961	Percent change: May 1961 from Apr 1961	Percent change: May 1961 from May 1960
UVALDE (pop. 10,293)				
Postal receipts*	$	7,783	+ 22	— 1
Building permits, less federal contracts	$	28,787	— 62	— 38
Bank debits (thousands)	$	10,457	+ 22	+ 13
End-of-month deposits (thousands)‡	$	8,606	+ 2	+ 10
Annual rate of deposit turnover		14.7	+ 19	+ 1
VERNON (pop. 12,141)				
Postal receipts*	$	10,435	+ 2	— 8
Building permits, less federal contracts	$	166,875	— 6	+ 55
Bank debits (thousands)	$	13,260	+ 8	+ 12
End-of-month deposits (thousands)‡	$	19,219	**	+ 3
Annual rate of deposit turnover		8.3	+ 8	+ 8
VICTORIA (pop. 33,047)				
Retail sales		+ 6†	+ 1	+ 3
Food stores		+ 3†	— 2	+ 4
Furniture and household appliance stores		+ 14†	+ 13	+ 10
Postal receipts*	$	33,948	+ 10	+ 9
Building permits, less federal contracts	$	352,935	— 15	+ 25
Bank debits (thousands)	$	52,708	+ 3	+ 14
End-of-month deposits (thousands)‡	$	72,667	— 1	**
Annual rate of deposit turnover		8.7	+ 4	+ 12
WACO (pop. 97,808)				
Retail sales		+ 6†	+ 30	+ 6
Apparel stores		+ 1†	+ 23	+ 16
Florists		.....	+ 6	— 1
Furniture and household appliance stores		+ 14†	+ 69	**
General merchandise stores		+ 6†	+ 26	+ 5
Postal receipts*	$	152,999	**	— 1
Building permits, less federal contracts	$	2,219,440	+ 60	+ 60
Bank debits (thousands)	$	108,229	— 2	+ 5
End-of-month deposits (thousands)‡	$	68,857	— 7	+ 4
Annual rate of deposit turnover		18.1	— 2	— 3
Employment (area)		47,650	**	— 1
Manufacturing employment (area)		9,760	**	— 3
Percent unemployed (area)		5.2	— 2	+ 13
WAXAHACHIE (pop. 12,749)				
Postal receipts*	$	19,100	— 7	+ 7
Building permits, less federal contracts	$	86,660	+157	— 81
Bank debits (thousands)	$	7,147	— 10	— 9
End-of-month deposits (thousands)‡	$	8,626	— 7	— 22
Annual rate of deposit turnover		9.6	— 9	+ 12
WESLACO (pop. 15,649)				
Retail sales				
Food stores		+ 3†	— 8	+ 10
Postal receipts*	$	9,805	+ 24	+ 16
Building permits, less federal contracts	$	103,032	+ 18	+ 45
Bank debits (thousands)	$	7,328	.....	+ 13
End-of-month deposits (thousands)‡	$	7,291	.....	+ 23
WICHITA FALLS (pop. 101,724)				
Retail sales		+ 6†	+ 9	+ 11
Apparel stores		+ 1†	+ 16	+ 15
Automotive stores		+ 9†	+ 28	+ 47
Drug stores		+ 3†	+ 7	**
Food stores		+ 3†	+ 3	+ 3
Furniture and household appliance stores		+ 14†	+ 11	— 1
Lumber, building material, and hardware stores		+ 4†	+ 1	— 6
Postal receipts*	$	122,562	+ 16	+ 15
Building permits, less federal contracts	$	2,511,553	+ 79	— 15
Bank debits (thousands)	$	118,129	+ 3	**
End-of-month deposits (thousands)‡	$	94,676	**	— 5
Annual rate of deposit turnover		15.0	+ 4	+ 5
Employment (area)		44,850	+ 1	+ 8
Manufacturing employment (area)		3,680	+ 1	— 1
Percent unemployed (area)		4.2	— 7	— 2

BAROMETERS OF TEXAS BUSINESS

All figures are for Texas unless otherwise indicated. All indexes are based on the average months for 1947–49, except where indicated; all are adjusted for seasonal variation, except annual indexes. Employment estimates are Texas Employment Commission data in cooperation with the Bureau of Labor Statistics. The index of Texas Business Activity is based on bank debits in 20 cities, adjusted for price level. An asterisk (*) indicates preliminary data subject to revision. Revised data are marked (r).

	May 1961	April 1961	May 1960	Year-to-date-average 1961	Year-to-date-average 1960
GENERAL BUSINESS ACTIVITY					
Texas business activity, index	252	224	235	235	229
Miscellaneous freight carloading in SW District, index	78	81	81	76	81
Ordinary life insurance sales, index	421	376	411	390	404
Wholesale prices in U.S., unadjusted index	119.0	119.4	119.7	119.6	119.6
Consumers' prices in Houston, unadjusted index	126.1	.....	125.1	125.6	125.4
Consumers' prices in U.S., unadjusted index	127.4	127.5	126.3	127.5	125.8
Income payments to individuals in U.S (billions, at seasonally adjusted annual rate)	$ 513.7*	$ 411.1r	$ 404.7	$ 409.5	$ 399.0
Business failures (number)	51	62	50	55	40
Newspaper lineage, index	165.4	161.2	179.4	164.0	175.4
TRADE					
Ratio of credit sales to net sales in department and apparel stores	69.4*	70.1*	69.6r	71.5*	71.5r
Ratio of collections to outstandings in department and apparel stores	33.8*	30.1*	33.6r	35.5*	36.5r
PRODUCTION					
Total electric power consumption, index	415*	404r	395r	385*	386r
Industrial electric power consumption, index	399*	400r	408r	383*	397r
Crude oil production, index	107.8*	111.4r	105.1r	109.8*	111.5r
Crude oil runs to stills, index	151	152	149	152	147
Southern pine production, index	82	70	83	69	77
Cottonseed crushed, index	213	180	166	170	161
Texas industrial production—total index	175	175	172	174	173
Texas industrial production—manufacturing index	223	220	217	218	215
Texas industrial production—durable goods, index	260	255	252	253	250
Texas industrial production—nondurable goods, index	205	204	202	204	199
Texas mineral production, index	129	131	129	131	132
Cement shipments, index	205	196	190	187	166
Cement production, index	208	196	196	178	164
Cement consumption, index	190	181	178	172	160
Average daily production per oil well	12.4	13.3	12.4	13.2	13.5
Construction authorized, index (1957–59=100)	127.0	96.7	97.0	107.6	99.1
Residential building (1957–59=100)	103.4	93.8	92.3	90.9	96.3
Nonresidential building (1957–59=100)	173.2	99.9	100.5	133.9	103.0
AGRICULTURE					
Prices received by farmers, unadjusted index, (1910–14=100)	248	252	243	249	244
Prices paid by farmers in U.S., unadjusted index (1910–14=100)	302	302	301	302	300
Ratio of Texas farm prices received to U.S. prices paid by farmers	82	83	81	82	81
FINANCE					
Bank debits, index	300	267	281	281	273
Bank debits, U.S., index	.....	240	242	.....	239
Reporting member banks, Dallas Federal Reserve District:					
Loans (millions)	$ 2,989	$ 2,994	$ 2,861	$ 2,997	$ 2,853
Loans and investments (millions)	$ 4,845	$ 4,897	$ 4,453	$ 4,847	$ 4,455
Adjusted demand deposits (millions)	$ 2,792	$ 2,704	$ 2,689	$ 2,730	$ 2,654
Revenue receipts of the State Comptroller (thousands)	$149,341	$146,795	$153,091	$120,028	$119,061
Federal Internal Revenue receipts (thousands)	$408,137	$349,525	$376.030	$300,967	$306,465
LABOR					
Total nonagricultural employment (thousands)	2,548.6*	2,539.6r	2,546.2r	2,527.5*	2,521.9r
Total manufacturing employment (thousands)	483.9*	480.6r	492.1r	480.5*	490.3r
Durable-goods employment (thousands)	229.9*	227.7r	236.1r	226.5*	234.2r
Nondurable-goods employment (thousands)	254.0*	252.9r	256.0r	254.0r	256.1r
Average weekly earnings—Manufacturing, index	181.3	181.3	177.7	179.5	176.1